

**THE  
SURVIVAL  
OF  
BRITAIN**

*Bryan W. Monahan*

**THE**  
**SURVIVAL OF BRITAIN**

*Contemporaneous Commentaries on linked events of 1968-1970*

By

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## *Contents*

Editor's Note

Author's Preface

Author's Introduction

### *Part I Comments on Recent Developments*

Warning Conservatives

Warning the West

World Government and the Common Market

Conspiracy and Perversion

Incompetence or Treason?

### *Part II*

Realistic Economics

Proposals for Preventing Inflation

Without Industrial Strife

Appendix The Trap

## *Editor s Note*

Part 1 of this volume is a collection of notes and comments which have appeared in *The Social Crediter* during 1968-1970 under the title "From Week to Week". Individual notes often cover a wide range of observation and argument, hence they are difficult to classify; all the same, I have grouped them under roughly appropriate headings and have numbered them for reference. They are not necessarily in chronological order in each section, but the date of publication of each note is given. No attempt has been made to remove passages which make the same points again and again in various contexts. All of the extracts demand urgent attention, but events move rapidly and it will probably be felt that with the later dates the sense of urgency becomes intensified.

Part 2 aims at introducing some realism into economic thinking and also contains proposals of prime importance which, although intended in the first instance for South Africa, could be applied in principle in this country as a first step towards preventing inflation or even putting it in reverse, thus bringing speedy and progressive amelioration to all concerned.

An Appendix entitled "The Trap" has already been published separately as a pamphlet in July 1969 and is reproduced here.

T. N. MORRIS

## Preface

This volume is a sequel to *The Moving Storm* which, together with its companion volume, *The Development of World Dominion*, traced the emergence of a long term policy in contemporary political and economic developments. *The Moving Storm* carried the story to late 1968, by which time the predicament of Europe—virtual encirclement by Soviet forces—was plainly visible to anyone not blinded by the episodic view of history.

Since then, developments have been catastrophic. It is now the *official* ‘line’ that the Warsaw Pact countries have numerical and strategic superiority over the NATO forces, and Russia is recognised as a great naval power, potentially controlling the Suez Canal, and moving towards naval superiority in the Indian Ocean. It is fundamental that no political entity (Communism is too dispersed to be recognised as a *national* entity) which has moved to gain strategic superiority allows its superiority to be eroded; it ‘defends’ its superiority, as Great Britain did in the First World War.

But perhaps the most ominous development has been the Bonn-Moscow accord, discussed in the following pages. This virtually extends the Brezhnev Doctrine to all Europe, and fulfils the late C. H. Douglas’s prophecy of 1944: “The coalition of Germany and Russia is logical, but the Russian mentality is very dissimilar to the German, and may easily contribute unrehearsed developments.”

Sir John Glubb, in a letter published in the London *Observer* on 2 Aug., 1970, summarised the situation thus: “I feel personally that the distinction between peace and war is out of date, as witness Russia’s recent assumption of a dominating position in the Middle East by the use of armed forces but without firing a shot. The art of using diplomacy and armed strength together is one requiring great skill and a high standard of technical proficiency.”

The purpose of the Red Army is not to make war, but to enforce “treaties”, thereby giving Communist conquest the appearance of legality.

If there is any ray of light in this dark scene it lies in the fact that some public figures are at last publicly acknowledging the reality. Mr. Enoch Powell, M.P., in a speech at Northfield, 13 June, 1970\* said: “Britain is under attack ... by forces which aim at the actual destruction of our nation and society as we know or can imagine them.” And in a speech at Wolverhampton, 11 June, 1970 (*op. cit.*) he remarked of immigration: “On this subject, so vital to their future, the people of this country have been misled, cruelly and persistently, till one begins to wonder if the Foreign Office was the only department of state into which enemies of this country were infiltrated.” And Mr. Angus Maude, M.P., in an article in the *Sunday Express*, 20 Sept. 1970, wrote: “The fact remains that the disintegration of Western societies has always been an object of Communist policy”; and he called on Government leaders everywhere to reveal what they must know. And in another article in the same paper on 22 Nov. 1970 he wrote: “It has long been clear that there are people, with international connections, whose precise design is that ‘the mob shall take over’ . . . .” Such a takeover of course is the pretext for the Red Army’s moving in, as clearly prescribed by Marx-Lenin-Stalinism.†

\*See *Powell and the 1970 Election*: Elliot Right Way Books, Kingswood, Surrey.

†See *The State of the World*: K.R.P. Publications, Ltd.

The large-scale picture is now abundantly clear: instigated and coordinated anarchy, Moscow-Peking directed, on the one hand and the occupation of the key strategic centres of the world by Communist forces on the other. The alleged Russo-Chinese ‘split’ is so much dust in the eyes of ‘observers’, who almost unanimously explain the Soviet presence in the Indian Ocean as a precaution to outflank China. But how otherwise could such a threat to Western Civilisations existence be minimised?

In the light of all this, is survival for Britain, as a nation, possible? The chances become less, literally every day, for reasons which are discussed in this book and its predecessors. The first and vital requirement is public governmental recognition of the *whole* fact of Conspiracy, and the rectification of the defective accountancy of the monetary system, which fertilises and nourishes subversion and anarchy. Such rectification carries the risk of war, but the alternative is certain destruction of the nation. These matters form the substance of this book.

The material herein was originally published in *The Social Crediter*, 1968-70.

BRYAN W. MONAHAN  
Canberra December 1970

## *Introduction*

The characterisation of Social Credit as “a funny money scheme” virtually served to put Social Credit off the map at a time when it represented a real hope for the aspirations of millions. This vicious slogan was reinforced by the allegation that Social Credit had been tried and had failed in Alberta. Social Credit was never tried in Alberta, for the very good reason that forces external to Alberta took fully effective action—disallowance by Federal authorities of Provincial legislation—to ensure that financial orthodoxy remained unchallenged. Then preparation for war ended the shortage of money which, during the great Depression, had high-lighted the glaring anomaly of poverty amidst plenty, when crops were destroyed to raise prices.

Accelerating, and potentially disastrous, inflation on a worldwide scale is once more focusing attention on the nature of the monetary system. Money which day after day loses its purchasing-power is, in the pejorative sense, quite truly “funny” money—it is as if lead were to lose its weight, or fire its heat. This time, however, the poverty in the midst of plenty is considered to be due to a surplus of money. This gives rise to the idea that there is a “right” amount of money—neither too little nor too much—and hence to the idea of a “managed” monetary or economic system.

But Social Credit is not primarily about money at all; it is about the practicability of *economic* democracy. The central issue was stated by C. H. Douglas in 1924 as follows:

“The policy of the world economic system amounts to a philosophy of life. There are really only three alternative policies in respect to a world economic organisation:

“The first is that it is an end in itself for which man exists.

“The second is that while not an end in itself, it is the most powerful means of constraining the individual to do things he does not want to do; *e.g.*, it is a system of Government. This implies a fixed ideal of what the world ought to be.

*“And the third is that the economic activity is simply a functional activity of men and women in the world; that the end of man, while unknown, is something towards which most rapid progress is made by the free expansion of individuality, and that, therefore, economic organisation is most efficient when it most easily and rapidly supplies economic wants without encroaching on other functional activities.”*

All that has happened since 1924 has demonstrated that the second of these policies has been ruthlessly enforced. But the work-State is ultimately incompatible with human freedom, and leads to the police-State—whither we are clearly headed. Whatever “democratic” Governments may think they are “managing”, they are in fact merely agents of this policy, and what passes as economic “theory” is merely the rationalisation of the means to the end. High taxation, for example, is supposed to “control” inflation. But high taxation is a Marxian concept, designed virtually to universalise the proletariat—eliminate the middle classes, leaving only the rulers and the “toiling masses”. Inflation is another form of taxation, and has the same origin. The rulers, of course, would be those who already rule through financial power—those who are implacably opposed to any rectification of an obviously defective financial system. Elsewhere in this volume, the basic principles of a scheme adaptable to the present situation are put forward. Its adaptation would *reverse* inflation—*i.e.*, would progressively increase the purchasing-power of human effort, leading to “a higher civilisation and greater leisure”, and, as a corollary, a diminishing incentive to crime and disorder.

It is important to realise that, given stable purchasing-power, an income above a certain level becomes increasingly synonymous with power, because the individual capacity for consumption is limited. Power, of course, means power over people; this is the attraction of the work-State for the very rich—in the last resort, the controllers of the international financial system, to which national systems are subordinate. Nothing has ever threatened the position of these people as did the Social Credit proposals. The threat is much less now, with the establishment of the prototype police-State—Soviet Russia. What is intended, under cover of the threat of war, is the world-wide extension of the “Russian” system.

This, very briefly, is the Social Credit background to the present commentaries on current events. If, as

we contend, the money system is a purely artificial device, and hence susceptible of modification to implement the third policy noted by Douglas, any commentary which assumes that money has the same sort of real existence as, say, the mercury in a thermometer, is bound to be wide of the mark. Money is much more than ninety *per cent* mere accountancy; it doesn't exist except as figures in books. Douglas described money as a licence to act; so the fundamental question is: who, in the last resort, controls the licences, and to what end are they issued? The man with a bank overdraft stands in awe of his local bank manager; but the latter stands in awe of his Head Office; and so *via* the Central Bank to the World Bank—a consortium of International Financiers among whose predecessors were those who financed the Russian Revolution, against the day when the progress of the industrial arts could, by emancipating the proletariat, threaten their position as the World Government.

## *Part I*

### *Comments on Recent Developments*

#### *Warning Conservatives*

##### 1

#### **CULTURE AND RITUAL**

*The following article by C. H. Douglas was originally published in our issue for August 25, 1945:*

We gather from a remark of Dr. W. R. Inge in the Sunday press that the idea of inevitable progress towards good as a result of the mere lapse of time—an idea closely connected, if not identical with Darwinism—is known to theologians as “the Western heresy”. It is singular that from every quarter we hear the opinion expressed that the European Age is passing, an idea linked with the rise of Eastern political ideologies such as Marxism. That is to say, we have succumbed to the East, because of our own unsoundness. It is highly important to realise that the idea and the retrogression have been contemporaneous; that it is almost possible to say that the prevalence of “the Western heresy” has driven, out of Europe that subtle quality which gave poise and resistance to the European. If Europe (and Great Britain) are to be saved, they have to recover their soul. There is no hope in the stampede of the Gadarene swine. In the economic plane, as in the social structure, the future of this country lies, as it always has lain, with quality, not mass-production; and there will be no quality-production if Professor Laski has his way.

We make no pretence of ability to judge the inevitability or otherwise of cultural defeat. But we notice in many quarters a new awareness of what we have been proclaiming to the best of our ability for the past ten years—that the wars and economic depressions of this century were consciously planned to induce the psychological background for a world revolution which would use the exaggerated and manufactured prestige of “Labour” to eliminate the prestige of culture, and, “in war, or under threat of war” to replace the vitality and attraction of the old Europe by the drab uniformity of a Russian workers-ant-heap. That is a new feature in the situation; and it may be that the shock of the election has wakened many people to the fact that the greatest war of all is still to be fought—to a conclusion, this time. For it is evident that the root of insecurity, both personal and national, is embedded in the rise of the politics of mass democracy. The mere mechanism is immaterial; what is deadly is the technique, however embodied, of using mass action against minorities.

It may quite reasonably be asked at this point, “What do you mean by culture—a word which in itself may mean anything from a bacteriological preparation to the output of a ladies’ school?” While a short answer is not easy, we are more and more convinced that one very important component of the culture we have in mind is ritual. We are the more certain in this respect because of the existence of two factors amongst many. The first is that the most important forces in the world, the Catholic Church and Freemasonry, are obviously based on ritual. And the second is the persistent campaign of ridicule waged through the press and the “B.” B.C. against the ritualistic basis of the English tradition. It is relevant to this matter that, on no less authority than that of Sir Paul Dukes, “The Comintern was founded with this specific aim” (the overthrow of existing institutions) “and the British Empire was declared to be the main target of the Revolutionary crusaders.”— (*The Tablet*, August 11, 1945).

Every effort is made to suggest that ritual is a “class trick”; that “Manners makyth man” has no reality in comparison with a six valve radio or a rousing gangster film straight from Hollywood. There could be no greater falsity. The culture we have in mind is far more extensively diffused amongst the “lower income brackets” than amongst the ornaments of Big Business. But it is not politically effective—in fact, the generous tolerance which goes with, and is the outcome of it, has been used to enlist its suffrages to its own destruction as well as the permanent enslavement of the populace.

But of course the whole question is beyond argument. No honest person hesitates to admit the defects of the nineteenth century while claiming that it was the high watermark of modern civilisation. No instructed



person has any doubt that it was, fundamentally, the corruption of the English tradition by the essentially “vulgar rich” on both sides of the Atlantic and the North Sea to which practically all those defects can be traced—the same vulgar rich who are using mass democracy to complete the ruin they have conceived. And the bulwark against these vulgar rich was tradition; a national ritual arrived at by centuries of trial and elimination. **It is in the failure to present that tradition as a living force of which to be immeasurably proud, instead of as something for which to make apology, that the so-called Conservative Party—a body, as such, without a soul— has been guilty of the unforgivable sin, and must suffer for it. And the most deadly error we can make is to look to it, in its present form, for salvation.**

7/3/70

2

“The British predicament . . . can be summarised as follows.

“Britain has agreed to repay to the International Monetary Fund £416 million worth of foreign currencies borrowed from the fund in 1965, in five quarterly instalments beginning this month and continuing until May, 1970. In order to pay for this, Britain is yet again forced to borrow, since her reserves of £1,038 million are almost certainly not enough to produce £416 million of ‘hard currencies’.

“Instead, therefore, the British Government will ask the Fund for a new ‘drawing’ of foreign currencies which cannot be made until the 1965 loan has been repaid. The procedure is simple. As we repay instalments of the old debt, we become eligible for further drawings from the Fund, which are then made.

“The snag ... is the need for some sort of conditions for the new loan . . .

“Before Britain can draw any further foreign currency from the Fund, the Chancellor of the Exchequer must furnish its board of directors with a ‘letter of intent’ spelling out the goals of British policy and the means by which they will be achieved . . .”—Dominick Harrod in the *Daily Telegraph*, May 6, 1969.

No wonder Mr. Wilson wants to escape into the European Common Market; and Mr. Heath too. And no wonder, either, that so many of our readers complain that they do not understand economics. But the fault is not theirs; they are not intended to understand. Mr. Wilson, on the other hand, claims to *be* an economist, on which basis he made all those glittering promises which gave him his enormous majority in Parliament.

However, it seems that Mr. Wilson’s days are numbered. It is time for someone else to carry the baby, if Mr. Wilson does not let it out with the bathwater first.

But economics or no economics, it ought to be plain for all to see that to hold an election on the basis of “competence” to “manage” Britain’s economy when Britain is already being patrolled by the brokers’ men would be disastrous. Britain is entrapped, and must fight her way out of the trap, or be destroyed. It is simply infantile to suppose that the international financiers do not know what they are doing. Great Britain was an apparently insuperable obstacle to World Government by Financiers, and had to be destroyed. And Mr. Wilson, as a professed internationalist, has gone along with that destruction.

It is not necessary to be an economist to be able to see that if some volcanic disaster sank ‘America’ and ‘Russia’ beneath the oceans, British problems would disappear with them. The industrial resources and the raw materials of Britain, Canada, Australia, New Zealand and Rhodesia could provide the basis of a prosperity much greater than defeated Germany’s. We have pointed this out on numerous occasions but it is in any case self-evident, and if Mr. Wilson had taken advantage of the fact, Britain could by now be well on the way out of the trap—provided military sanctions had not been exercised against her. The ‘brilliant’ Mr. Wilson must know that and knowing, must be held responsible.

If an election *must* be held, the Opposition should campaign for a mandate to reactivate the process of impeachment. The late Professor Laski used to exult in the position that “the core of the British Constitution is the supremacy of Parliament”, meaning that Parliament is quite unfettered in what it can do. That being the case, Parliament *can* impeach, and *ought* to, with a mandate to do it. It is simply not good enough to tell Mr. Wilson that he did not keep his electoral promises, and can now go and retire on his Parliamentary

pension. Like any professional proved to be ‘incompetent’ (or something worse), he should be sued for damages. What has become of the £416(+) million that the Government ‘borrowed’ from the Fund? What on earth does it mean to borrow *more* money for the sole purpose of paying back money already borrowed and for which there is nothing to be seen?

Alternatively to campaigning for impeachment, Mr. Heath (and perhaps Mr. Powell too), might make their ‘letters of intent’ the issue for the electorate—for undoubtedly a ‘letter of intent’ is going to be required of any new Government. This situation highlights the dilemma of democracy: the public in effect has to vote on which ‘letter of intent’ is more likely to induce the Directors of the International Monetary Fund to grant a mandate to the Government to govern. What happens if the electorate guesses wrong?

\* \* \*

On the face of it, the British situation seems almost hopeless: “‘Britain’ is now apparently the target of the most venomous hatred by its manipulators . . . The Storm Centre is in New York”. But the American *people* are also the intended victims of this Storm Centre, as the founders and directors of the John Birch Society know. For ten years the Society has been building an army of correctly informed public opinion with a view to breaking up the Storm Centre. The Society sometimes leaves the impression that the British deserve what is coming to them; but if the British demanded the impeachment of the Government presently holding the position of responsibility for the mounting disasters of the British ‘subjects’ (who suffer, not cause, the disasters), American public opinion would be likely to be electrified, and then there would be a very good chance of the Storm Centre being broken up. If that happened, it would have the same sort of effect as if ‘America’ and ‘Russia’ (which could not survive without ‘American’ help\*) did sink under the ocean, except that a surviving and cleansed America would almost certainly help in repairing the ravages of the Storm elsewhere in the world.

14/6/69

\*THE NEW YORK-MOSCOW AXIS. “Unaided, the Soviet Union would be utterly incapable of holding together its vast Eurasian empire. So far, however, the Kremlin has never failed to receive timely adequate support from the United States. There is as yet no sign that this situation will change.”

—Medford Evans in *American Opinion*, Scoreboard 1969 Edition. See also the brochure, COMMUNISM, CONSPIRACY AND TREASON.

### 3

It is probably only the continued existence of the British Parliament which saves the Wilson Administration from possibly violent counter-revolution; for what has been happening under Wilson is Communist revolution in its penultimate stages. The ground for this has been prepared throughout this century by the steady but unobtrusive transfer of power from Parliament to the financier-socialist junta (only a fraction of which is in the Cabinet) which controls the socialist bureaucracy. Parliament has been disarmed simply by swamping it with an impossible volume of business; and any real threat of revolt against Cabinet dictatorship has been parried by the threat of dissolution which, for far too many Members, means the loss of an income which they would have no hope of matching elsewhere.

Insofar as by-election, municipal election, and public opinion results are indicative, not by any stretch of the imagination can Parliament any longer—nor for some considerable time past—be considered representative of public opinion. And this is all the more remarkable in that genuine or *effective* Parliamentary opposition to Government policies should be more than a mere matter of difference of opinion as to whether British disarmament policy is right or wrong. If the Government is wrong, it is irrevocably wrong—irrevocably in the sense that damage done cannot be undone, at any rate in time to avoid disaster. The Conservative Opposition ‘disagreed’ with the Government’s ‘East of Suez’ policy, the mere *announcement* of which has profoundly altered the balance of power in the world. But if there is another election, and the Conservative Party forms the next Government, does anyone suppose it could restore the situation to what it was when it left office? Politics is the art of the possible, and the function of the Wilson Administration is to preempt the field of the possible. Both the Attlee and the Wilson Administrations have—we would say deliberately—mismanaged the economy so as to intensify international control of British internal policy—because the Wilson Administration is Fabian-internationalist

orientated and is in collusion with International Finance which has the same orientation. Thus what in fact is treason can plausibly be represented as economic necessity.

It is hard to imagine at this stage that the Conservatives have any convictions other than that they would consummate ultimate surrender of British sovereignty to World Government more suavely than would the Socialists. In any case they have established no other options.

Coupled with his warning that Parliament was unlikely to survive indefinitely, Douglas advised that so long as it survived, it should be used to call the Executive to account, rather than for mass-producing legislation, mostly of a restrictive nature, and little of it understood in its content or implications by most Members.

A proper consideration of the Wilson Administration's record makes it plain that the only real option open to the Opposition—or to individual Members who put patriotism before livelihood—is in fact to call the Government to account for (a) running down British defences (Wilson: “A defence policy which does not contain within itself the seeds of further progress towards disarmament is one which in the present state of the world we can no longer regard as appropriate.” *National* disarmament is a policy objective of internationalists looking to a “world police” force to ensure obedience to a World Government). (b) Attempted surrender of British national sovereignty to the Council of Europe, under guise of economic considerations. (c) Deliberate mismanagement of the British economy, including intensification of a confiscatory and disincentive taxation system. It should be constantly recalled that the graduated income tax was *specified* in the Communist Manifesto as an essential step towards Socialism.

If a determined group of patriotic Members would get together and study the now readily available materials relating to these items with a view to forcing a properly prepared debate (they should pay as much attention to preparation and organisation as the Communists do) they might achieve much more than they expect. If there is another election, the Socialists appear certain to be defeated. But if they are defeated for ‘incompetence’ rather than treason, it will be a further and probably final victory for International Socialism, Communism, or World Government, call it what you will. The only thing which can now stop World Government, fully policed along Communist lines (as in Czechoslovakia, etc.) is conscious and informed *opposition* to World Government. Party political parliamentarianism is now absolutely suicidal.

9/8/70

4

Under carefully controlled conditions, even outright Communist countries hold elections, for elections give a spurious mandate for any atrocity—not necessarily physical—the Government intends to commit. Britain is not yet an outright Communist country, and its Government is only crypto-Communist. But perhaps the major tenet of Socialism is that Socialism is irreversible; and if an election is held in Britain with any possibility that the Conservatives might win, it will be in the belief that they either will not, or cannot, reverse the “giant strides” towards permanent Socialism that have already been achieved. The recent Conservative Party conference must have gone a long way to promote such a belief. But there are other possibilities.

Constantine Fitzgibbon in an article entitled, “Britain: A Fascist State?” published in the *Daily Telegraph Magazine*, Oct. 10, 1969 remarks : “It would not be beyond the ingenuity of the present government’s ideologue lawyers to prolong this parliament, and therefore this despised government, almost indefinitely while continuing, and as they hope perfecting, their levelling process. . . . When the economic crash comes it is not inconceivable that they may use this catastrophe, of their own and their predecessors’ creation, as a pretext to destroy what still remains of the democratic system in Britain. It is conceivable that they might even use the catastrophic situation which they have allowed to develop in Ulster for the same purpose.”

Mr. Fitzgibbon seems clearly to realise, as most commentators seem not to, that Fascism, Nazism, and Socialism are all the same thing; and that “Butskellism”, the continuing policy of the Conservative Party, is part of the same consensus.

“And even if the present bunch carry out their constitutional duty and surrender by holding a general election and the present Conservative Front Bench becomes Box instead of Cox, and pursues almost identical policies, and the decline continues until the crash comes, then what?”

Until the crash comes ... as come it must. The higher strategy, to which Mr. Wilson may be privy, but subordinate, and Mr. Heath probably not privy, but equally subordinate so long as he pursues “almost identical policies”, is predicated on a crash. A world growing richer in real capacity to produce wealth but which sees no future but in ever-expanding exports and austerity at home; a world where bumper crops frequently amount to an agricultural catastrophe for the growers; a world of forced employment in an increasingly automated industrial system; a world of non-productive bureaucrats expensively remunerated to interfere with production; a world where politicians maintain their power by exploiting greed and envy; a world where commentators see nothing but incompetence and stupidity when the set-up reeks of conspiracy and treason—all this is a prelude to a planned financial disaster. And then the real masters will take over.

15/11/69

## 5

Evidently, in Britain’s modern, progressive, permissive, ‘civilised’ society, the only remaining unmentionable words are “Communism” and “Marxian Socialism”; and, among ‘Conservatives’, the in-word is “incompetence”. Perhaps Mr. Quintin Hogg was greatly daring in referring to “a Labour Government of the second internationale”; but he was perfectly correct. The Second Internationale of 1889 was the offspring of Marx’s First Internationale of 1862, and the progenitor of the Fabian Society. The British Labour Party is a creature of the Fabian Society, and the alleged ‘incompetence’ of its Parliamentary leadership is quite simply the mask behind which its long-range policy objectives are concealed. The most immediate of these is the permanent destruction of the mechanism of decentralised control of the economy in the interests of international cartelisation—which is proceeding apace *via* mergers and takeovers.

Thanks to the planned penetration of educational establishments over three generations—Harold Wilson taught Fabian-inspired economic doctrines at Oxford for several years—ideas destructive of the order which Conservatives are thought to stand for are accepted as axioms of economic ‘science’ by numerous ‘Conservative’ politicians. The economic arguments for joining the Common Market are a prime example. The fundamental idea is to sell more goods to get more money. But hardly anyone seems to notice that the countries of the Common Market are highly industrialised—that is to say, quite capable of supplying their own home markets. Yet Conservative official policy seems to regard Europe as a vast undeveloped area as, relative to Britain, as the industrial revolution gained momentum, it once was. From a Fabian point of view, however, the objective of ‘entry’ is not economic, but political; the inner group of Fabians envisage a consortium of ‘strong’ Social Democratic *governments* as a large and irreversible step towards a strong (i.e., irremovable) World Government.

An election on any issue other than agreement or disagreement with the fundamental *policy* of the Labour Government would be fatal. But the attitude of the Conservatives is: We agree with what the Government is *trying* to do, but we consider them incompetent to do it (“the failures of the present Government”). But the prior question is: **What is the Labour Government really trying to achieve? If it is taking “giant strides towards Socialism”, where are its failures?** The economic destruction of the middle classes—i.e., that part of the community which stands between total government on the one hand, and full employment (i.e., complete servitude of the masses) on the other—is a policy objective of Socialists; a wrecked economy and balance of payments ‘crisis’ is the virtually indispensable basis of such a policy. Is it really credible that the ‘brilliant’ Mr. Wilson would employ as Chancellor such an economic moron as *Spectator* represents Mr. Jenkins to be, if he wanted results other than those he is achieving? What, then, if Mr. Wilson wants “a situation out of control”? What if he wants a situation which even a repentant Conservative Party could not rectify?

The British electorate is probably capable of grasping the fundamental issue underlying the present situation if the Opposition would put it to them in its correct terms—i.e., that the British are essentially the victims of competent conspiracy. For Fabian Socialism *is* conspiracy, even more so than outright militant Communism, which does not conceal its aims, whereas the essence of Fabianism is deception as to ultimate

aims—which are purely Marxist. Fabianism was adopted as a strategy more likely to succeed with the British than violent revolution, but the elimination of the middle class was, and is, just as fundamental an objective. Now the defeat of Socialism entails the restoration of the power of the middle class—which means creating the conditions by which anyone with his own enterprise and initiative can acquire an increasingly independent income.

This sounds like a tall order under present circumstances; but it has to be grasped that “present circumstances” are the outcome of Fabian strategy, and that in fact independent incomes might by now have been universal in the absence of that strategy. Of course, it is quite impracticable to go at once from where we are to where we might have been; but it is essential to aim in that direction.

Despite the fact that the present British Government was elected, it might just as well have been imposed on the British by say Germany, had Germany won the war; it is, in essence, a ‘Quisling’ government acting on behalf of a potential World Government. Nobody doubts that Hitler would have established a World Government had he been able to.

Unless the Conservatives actively repudiate this conception of government—which means, in the event of an electoral victory, disengaging from the *business* of government, drastically reducing taxation, and repealing restrictive legislation—Britain, as a distinctively Anglo-Saxon community is finished.

29/11/69

## 6

The course of history has always been marked by the endeavour of the few to impose their will on the many; and the fundamental strategy has always been to gain control of access to food, clothing and shelter. Modern industrial productivity, however, has produced such potential abundance of these universal requirements as to endanger the future of coercive government. In other words, if every individual had such sufficient access to his basic needs as to be able, in Douglas’s words, to “choose, with increasing freedom and complete independence, whether he will or will not assist in any project which may be placed before him”, the prospects of ‘strong’ government and centralised planning would be increasingly dim. So the ‘drain on the economy’ represented by ‘defence’ against the threat obligingly provided by Russia justifies a ‘managed’ economy until such time as sufficient centralisation of government control has been achieved to enable the application of the Brezhnev doctrine, and ‘disarmament’ can be imposed under the umbrella of World Government.

This cruel and ghastly conspiracy is now so close to its culmination that to suppose that a conventional Tory ‘victory’ at an election could even give it pause is to inhabit a world of sheer fantasy. It is far from certain that an election will even be held. So unstable is the world political situation that events, chance or otherwise, could *at any moment* trigger off a crisis calling for the same ‘emergency powers’ as the Attlee Administration utilised to initiate the final destruction of Britain—the once apparently insuperable barrier to World Dominion and the cradle of the concept and mechanisms of individual freedom. Communist military and naval forces are now deployed on a world strategic scale, and the, largely secret, Communist Party forms a cohesive Fifth Column throughout the world. The U.S.A., the richest and most powerful nation the world has ever seen, is being made to *appear* inept and incompetent in its foreign policy and to be threatened with economic disaster, and revolution in the streets is being rehearsed.

For all the good the Tories did, the years between Attlee and Wilson might as well never have been. Their ‘victory’ was but their opportunity to get their own hands on the fascinating controls. It was industrial recovery, not Tory ‘management’, which slowly ameliorated the Crippsian austerity. But in Germany and Japan ‘economic miracles’ occurred, while the Tory achievement (the word is Mr. Heath’s) was such as to allow Mr. Wilson to turn the ‘balance of payments crisis’ into a pretext for renewed austerity and to shackle the country with increased international debts whose liquidation will be the inheritance of the Tories, should they come to ‘power’. Naturally, they will need even more ‘power’ to clean up the mess made by the ‘incompetence’ of the Socialists. Remember that Letter of Intent.

For reasons which have been examined in greater and less detail in these pages since the inception of

this journal\*, any escape from Britain's predicament entails a repudiation of Britain's international financial 'obligations' and what amounts to a reversal of orthodox fiscal policy.

\*For indicative references, see *The Development of World Dominion*, *The Moving Storm*, K.R.P. Publications Ltd., also *The Trap* (Appendix herein p. 107)

As regards the financial 'obligations': every patriotic Tory—surely, there must be some—should consider carefully President Wilson's comment to Colonel House: "When the war is over we can force them [the British and French] to our way of thinking, because by that time they will, among other things, *be financially in our hands*" (emphasis added). (See *The Moving Storm*, p.114.)

In 1918, there was virtually universal ignorance concerning the nature and operation of the financial system, so there was some excuse for the post-war British Government adopting the policies it followed; they really did seem to be dictated by 'economic necessity'. Probably not one person in ten million 'educated' people would have had the slightest idea what the term "restriction of credit" meant; but now, under the title "credit squeeze", it is considered a prime instrument of fiscal policy, an essential ingredient of 'economic management'. But in 1918, and again in 1945, restriction of credit was the mechanism by which the power of "our hands" was made manifest.

As to a reversal of orthodox fiscal policy: "We think it was Dr. Tudor Jones who suggested that the key doctrine of Christianity is the supremacy of repentance over the Law—that there is what may without irreverence be called a technique by which the chain of causation can be broken". The chain of causation here is: "The Tories must clean up the mess caused by the incompetence of the Socialists in clearing up the mess made by the Tories in dealing with the balance of payments. . ." More management.

Proximately (but not ultimately) our troubles are due to a gross excess of Law; and unless the Tories repent of their part in this hideous accumulation, they, and the rest of us, "have had it". At the best, there may be twelve months (assuming another election) for the Tories (as the only visible alternative to the Socialists) to come to grips with the real problem.

In short, the Opposition must totally and realistically *oppose* the *policy* of the Government as evidenced in its *practice* (not in those of its "lies and evasions" which the Tories choose to swallow). Otherwise, the Opposition is either consciously playing the enemy's game or, under the delusion of superior 'competence', playing into the enemy's hands. The Conservatives were for a long time fooled by Hitler; and they should remember this as a first step towards recognising that they are being fooled by Washington. But this time the game is for keeps. It is *Battle for Britain*, or eternal liquidation as a people.

13/12/69 & 27/12/69

7

It has been quite clear, at least to us, for the last twenty years that the likelihood of another world war has been growing increasingly remote; but the *threat* of such a war, assiduously played up by the mass media and political commentators, has formed the best possible smokescreen for the strategic dispositions essential to police the World State under the World Government, so long foreshadowed and now so imminent. Mr. Healey, British 'Defence' Minister, has made it more or less official that NATO is done for: Europe's security is absolutely predicated in America's H-bombs. The coming about of this situation has been visible for a long time; but the point of no return has now been passed. The strategic assets of the world are now in the hands of international cartels, and Russian forces are deployed to ensure the strategic security of the territorial basis of world government—the Middle East and Mediterranean. If the Tories imagine they have any options left in this situation, let them recall the Suez Crisis when the active collusion of Moscow and Washington was first publicly displayed.

What happens next? "In the first year of the new [U.S.] Administration we have seen Government artificially [i.e., purposefully] drive the cost of money up to its highest level in 100 years of American history. The move intended to reduce inflation has seriously disrupted many sectors of the economy.

"We have seen a new Tax Bill which will increase the capital gains tax, curtail the tax advantages of

depreciation in real estate investment, has already eliminated tax credits, and has essentially stripped fiscal policy of many of its built-in devices to stimulate the economy.” (Bernard Cornfield, president and chairman of Investors Overseas Services.)

We have repeatedly warned that when the crash comes, it will be contrived to look like an accident. We do not for one moment imagine that the ‘new’ Administration does not know what it is doing, or is making ‘mistakes’. Quite obviously the stage is being set for a financial crash in which millions will lose their life-savings, and even their homes, paving the way for the open coalescence of World Finance, International Cartels, World Communism, the United Nations, and World Government. A well-integrated and industrially developed nation commanding its own raw materials could easily survive an American financial disaster; but independent nations, or Empires such as the British (economically self-sufficient) have been eliminated. South Africa could survive, but should she attempt it, she will be destroyed under the pretext of eliminating racialism.

Short of an upsurge of American public opinion against the instigators of this coming crime—and the upsurge of anything except anarchy in the chaos of a financial catastrophe is difficult to imagine—there would now seem little hope. The British Conservative Party in Opposition had an unparalleled opportunity to expose the situation before the enemy was ready to strike. Now what can they do? If they will not discover and proclaim that the financial system is completely fraudulent, they will indeed be hanged with the rope of their obstinate disbelief. The industrial system does *not* exist to provide employment; the purpose of trade is *not* to provide a financial surplus, except to repay money which need never have been borrowed. The British Empire has been dismantled by the timid and the traitors at the instigation of our implacable enemies, to whom Christian national culture and individual prosperity were until now insuperable obstacles to a mechanistic World Government. But the insuperable has been overcome, at the cost of untold millions of lives and appalling suffering. No wonder that Jesus, who saw it coming, wept.

But no; the Conservatives merely hope to win the electoral race to Power, and they are encouraged by the commentators who, like racecourse touts, sell their ‘tips’ for a living. Aspirants for government do not want to see less power for Governments; they probably, even if unconsciously, hope for crises to sustain emergency powers. To proclaim their rivals for power ‘incompetent’ is to imply their own superior competence and what they want is a difficult situation in which to demonstrate that superiority, even if the difficulty lies on the edge of disaster, as it does now. Mr. Heath finds it more expedient to disavow Mr. Powell than to denounce traitors; an increasingly ungovernable situation provides a “challenge to leadership”; the problem, as Mr. Heath seems to see it, is to convert the stampede of the Gadarene swine into an orderly march to destruction. A lawless society calls for more Law. This, of course, is just what the Communists believe; but they are more strongly fortified in their belief because they also believe that Communists, not *petite bourgeois*, have a historic mission to ‘lead’ the fully-employed proletariat out of disorder into the orderly production of goods to raise the standard of living of the capitalistically down-trodden people of the underdeveloped ‘nations’.

We would *pray* that even just a handful of patriotic Conservative Parliamentarians would get together and give full and careful consideration to the article, *Culture and Ritual*, written by C. H Douglas 25 years ago and republished on page 1. “The greatest war of all is still to be fought—to a conclusion, this time.” The only place where this war *can* be fought now, in Britain, is in Parliament. The Socialist Government, quite avowedly, represents Internationalism, the enemy of patriotic nationhood. Its purpose, like Mr. Heath’s, is to ‘lead’ the British into ‘Europe’—half way to World Government. But the Conservatives must face the actual consequences of what they have allowed to happen, or contributed to themselves either through misguided idealism (“Winds of Change”) or invincible and wishful ignorance of the real forces confronting them. “The Conservative Party has been guilty of the unforgivable sin, and must suffer for it.” Recognition of this, and true repentance, might still lead to redemption. But public opinion, no matter how well informed, can now achieve nothing except through dedicated *British* patriotic leadership based on political and economic reality. To this, a response arising from British character and culture might save the world, just as the Spirit of Dunkirk saved the world, and as economic “management” for One World objectives will destroy it. We need a second coming of Christianity, fully understood as being “something inherent in the very warp and woof of the Universe.”

“If treason is what we are interested in (and it should be), there is treason enough in our own country—treason actual and potential, and proliferating daily—to demand our close and urgent attention”—Peter Simple in the *Daily Telegraph*, March 10, 1970.

A report in *The Observer*, March 15, 1970, from its European Correspondent, Boris Kidel, is in substantial agreement with reports of developments in Germany in the March issue of *Intelligence Digest*; both disclose an extremely menacing situation, going far beyond the threat posed by Nazi Germany; for it was possible to oppose ‘Hitler’ militarily, whereas it would not be possible to oppose what now portends—a Soviet-backed ‘reunited’ Germany.

It has been a fundamental theme of *The Social Crediter* since its inception that the world, and Britain in particular, is faced with a *long-term* policy—that is, one in which strategic objectives are set several decades in advance, and approached slowly and under cover of deception as to the true objective of shorter term policies. A general outline of this situation was published in *The Australian Social Crediter* in 1946, and republished in *T.S.C.* with an Introduction and additional notes in 1967\*.

\**The State of the World*; K.R.P. Publications Ltd.

According to the reports we have referred to above, a leading or *the* leading figure in the present Socialist German Government is Herbert Wehner, an ‘ex’-Communist who was trained in the Kremlin for six years. In 1959 Wehner pushed the Socialist Party (SPD) from the left to the centre, to obtain support from the middle classes, the idea being, of course, to await the usual “swing of the pendulum” to obtain power. *Intelligence Digest* quotes him as saying: “We can promise the people now whatever they want. But when we come to power then, in spite of that, we will do what we really want to do.”

This, of course, is the standard Fabian Communist technique, as practised by Harold Wilson. Under Herr Brandt, “an extraordinary team of brilliant and radical advisers” has been gathered together (Kidel). The Chancellery, housed in the Palais Schaumburg, has been transformed into “the ‘powerhouse’ of West German Government”. “The danger in Germany no longer comes from former rightists, but from modern well-drilled Socialists, whose inspiration comes from a queer mixture of Stalin, Hitler, and Ulbricht”. (*Intelligence Digest*.)

In terms of long-term policy, all this means that Germany has been taken over by the Communists. The “power-house” equipped with “the biggest computer in Germany”, is clearly the German equivalent of the Kremlin. How better to achieve the present situation than to divide Germany into ‘East’ and ‘West’, build ‘West’ Germany under the shadow of NATO into “the most powerful and prosperous State in Europe”, and then “re-unify” the ‘two’ Germanies?

Once Communists seize power, they never let go. Democratic forms are preserved so long as they conceal what is going on behind the scenes; but what is “the power-house” *really* for? For the use of a ‘right wing’ Government after the next swing of the pendulum? Oh no; that would be a revival of Nazism, up with which the Soviets would never put! From now on, the Brezhnev doctrine applies.

This is all so ‘legal’ that it goes without saying that there is absolutely no pretext for America’s use of ‘strategic’ nuclear weapons. But where does it leave Britain?—Well, nowhere now, except ‘peacefully’ to go into the Common Market, where the British can come under the computer control of the “powerhouse”.

Mr. Wilson and Herr Brandt are, of course, long-term buddies; they are both international socialists, to whom national boundaries are an anachronism and anathema; but to say so is not the way to win elections while elections are necessary for the sake of appearances. We may be sure that Mr. Wilson knows very well what Herr Brandt and his Soviet trained advisers are up to; whether Mr. Heath does too is another question. If he does not, and is elected to power, thinking he can better Mr. Wilson’s much publicised ‘incompetence’, he will find himself presiding over Britain’s final, and probably disgraceful, downfall. A country cannot pursue a ‘national’ policy without the means of national defence of that policy, and Britain no longer has that. Mr. Wilson has pre-empted Mr. Heath’s options—though ‘Conservatives’ paved the way. So it may



very well appear to Mr. Heath that a statesman-like surrender to internationalism, Soviet-style, by “paying the price” (or tribute) of signing the Treaty of Rome is all that is left, since he rejects the arraignment of Wilson for treason which is the only *national* alternative.

If anyone thinks this is all very theoretical and that it really does not *matter*, whether or not Britain joins the Common Market, let him reflect that the Common Market *is Socialism*, and that under fully established Socialism, strikes (or any forms of protest) are *political crimes*. The overall objective of international socialism is going to be the redistribution of the wealth of the ‘exploiting’ imperialist nations to help the downtrodden ‘underdeveloped’ nations (Wilson: “Commodity agreements for temperate foodstuffs must provide the machinery for channeling the overspill of our advanced countries into the hungry countries. But why food only?”). *Our* advanced countries. Who are ‘we’?

In the seventy years of this century the whole world might have advanced, under a benevolent colonialism, towards a general prosperity and freedom. That it has not done so is due to a *conspiracy* to establish a permanent World Government. Both world wars, and the depression, and the increasing anarchy of the post war years are all the outcome of this conspiracy. How can anyone suppose that good can come out of so much evil? How can anyone now suppose that an electoral ‘victory’ for the Conservatives will do anything but cover up still further what has been and is being done, unless the Conservatives are prepared to face up to and expose the conspiracy? Why not expose it *now*, while they are the ‘Opposition’—Her Majesty’s *loyal* Opposition? The present ‘British’ Government *represents* the enemy—international socialism, with Germany rapidly becoming its European spearhead, with Soviet backing. Well, if international socialism, which in the last resort is Communism, is not fought, it will win without a fight, as Krushchev predicted.

18/4/70

## 9

“Our country has become virtually defenceless”: thus Peter Simple in the *Daily Telegraph*, 26 March, 1970. More exactly, Britain is *at the moment* completely defenceless; that is to say that in the face of an ultimatum there would be no alternative to capitulation. This fact does not stick out like a sore thumb simply because no Power appears likely to issue an ultimatum— there is no *visible* enemy in the conventional military sense. Peter Simple says that “to remedy this situation at whatever cost and by whatever means ought to be absolutely the first priority of the Conservative party”. But this raises the vital question: Would the Conservative party be *allowed* to rearm Britain? The view of the international socialists is that socialism is here to stay, and that *national* armament is a threat to *international* socialism. “It is likely,” says Peter Simple, “to say the least, that there are important people in this country who would not be averse to seeing it under the control of the Red Army”.

His second priority for the Conservative party is “to find out, if possible, how the situation has come about.” “Have we become defenceless through silliness; or incompetence, or insane optimism; or treason; or through all these things in combination?” Silliness, optimism, even incompetence, are not indictable offences; but treason is a crime, and in his column on 10 March Peter Simple asserted, “there is treason enough in our own country ... to demand our close and urgent attention.” Peter Simple likes his little jokes, but do the Conservatives think this is one of them?

There is a chance—no more—that *in opposition* the Conservatives can call the Socialists to account. Let them “win” an election, and they will find themselves on the hot spot, faced with the probability of what will amount to a revolution precipitated by strikes. What will they do? Accede to wage demands, and thereby accelerate the rise in the cost of living? Reconstitute the Home Defence units, after the horse has bolted? And what if a “revolutionary government” calls on the Red Army for assistance.

The fact of the matter is that signing the Treaty of Rome *is* an ultimatum—to surrender national sovereignty to Willi Brandt’s “power-house” (*T.S.C.* 18 April 1970). But at this stage, merely *not* to sign it will not dispose of the situation in which Britain is placed; it is absolutely necessary to *expose* how the situation has come about, and to bring those responsible to trial. We emphasised this necessity two years ago in these pages; but the situation is incomparably worse now. The fundamental fact, however, remains: the

Conservatives have a *locus standi* as an *Opposition* which they cannot possibly have as a *Government*, because the Socialists as an *Opposition* will oppose them with all the forces of industrial anarchy. The only answer to that, and an answer that must be given *now*, is to call on the latent patriotism of the British by exposing their enemies to them. If ever it was true that the best defence is attack, it is true now that the *only* defence left is attack.

18/5/70

## 10

It is not really credible that there is a significant difference in the ‘competence’ of Mr. Heath as against Mr. Wilson, or of Mr. Rippon (‘Shadow’ Defence Minister) as against Mr. Healey. As regards Defence any difference between the Parties is fundamentally a difference of policy, which in turn is the expression of belief. At the end of the Second World War, Great Britain was a first class Power—caught in a financial trap, it is true, and dependent on imports of vital raw materials—but still the linchpin of a worldwide Empire capable of supplying the needs of all its component parts. A modified ‘Common Market’ policy for the Empire would have ensured a rising prosperity for all its peoples, exactly as it has done in the case of Portugal and the Overseas Territories. It should not be forgotten that during the war Mr. Churchill stated publicly that he had not become His Majesty’s First Minister in order to preside over the liquidation of the British Empire, which was a clear indication that such a policy was already in evidence.

But the Conservatives were defeated in the ensuing election; and the Socialists set about dismantling the Empire with such effect that Mr. Wilson was able to boast that under Attlee, “a thousand years of British history went out the window.” Meanwhile Stalin consolidated his European position and took up the slack as the *structure* of the Empire crumbled. The result of all this has been the reversal of the strategic situation. In an article on Conservative defence policy in the *Daily Telegraph*, April 23, 1970, Mr. Rippon states: “Today [British] strategy is based on the assumption that nuclear escalation will be the only alternative to surrender in Europe in the event of a major Soviet attack.” Is nuclear escalation a *real* alternative? Would anyone *really* push that button? And if not, is anyone going to fight a ‘conventional’ war of which the *predicated* outcome is surrender, with all the penalties of having fought and lost, and thereby become subject to reparations? In short, Russia holds the whip hand. Will she sit quietly by while the Conservatives, over the next five or ten years, restore the balance of ‘conventional’ forces? This is dream-world stuff.

Mr. Rippon further says: “The starting point of Conservative defence policy is that the first duty of any Government is to secure, within the context of its alliances, the safety of the nation and the maintenance of its commitments throughout the world.” And later, he says: “Our failure has been in the deliberate rundown of our professional forces, naval, army and air; the reduction of the reserves to a level where they are barely adequate to bring B A O R up to wartime strength; the disbandment of the Territorial Army in its old form; and the virtual abandonment, by us alone of all Western European nations, of any form of home defence.” And he writes of partially rectifying this situation “over a period of ten years”! More dream-world stuff; does he really believe it is practical politics? It is as if the leader in a world champion ten-mile race were to sit down a quarter of a mile from the winning-post to let his competitors catch up and make a sprint for the last lap. In fact, the Communists (and Socialists) have been spraying broken glass on the track behind them.

In speaking of “our” failure Mr. Rippon seems to imply Conservative complicity in the deliberate “run-down”, which makes it difficult to apportion responsibility for the most dangerous situation “the nation” has ever faced. As Peter Simple says in the same issue of the *Daily Telegraph*, “Our country is riddled with treason; our laws, institutions, the very name of patriotism—all are being made into an ingenious joke.”

The fact of the matter now is that a conventional defence strategy is quite out of court. Ten years *ago* something might have been done to reverse the “deliberate”—*deliberate*—rundown of conventional forces. Those ten years are down the drain. The Communists now can call a build-up of conventional forces an act of potential aggression, and issue an ultimatum to which, as Mr. Rippon admits, the answer can only be surrender or ‘escalating’ nuclear warfare (the escalation, presumably, occupying anything from four to forty-eight hours).

Nevertheless, behind the grim conventional strategic situation there lies a fundamental substructure of

bluff and deceit. *Of course*, as Peter Simple has observed several times recently, Britain is riddled with treason. If that treason were denounced in due form in Parliament, and from the hustings, the bluff might be called. If Mr. Rippon is speaking for the Opposition, and means “deliberate”, then the Opposition should make treason the issue. Clearly, if it is necessary to re-arm Britain because of the potential threat of invasion by Russia, we are potentially at war with Russia, and activities which “deliberately” disarm Britain in advance of a potential threat are just as treasonable as activities in aid of the enemy in the course of actual warfare. But in fact the Communists regard themselves as engaged in war with the aim of achieving a bloodless victory—i.e., the Russians are making the strategic moves appropriate to the actual conduct of war—advanced bases and logistic supplies in Europe and the Mediterranean, and a worldwide deployment of naval forces—while the Conservatives are talking about building up forces over a ten year period which, however, would find themselves virtually without bases. After all, eventually everyone became convinced that the only way to “stop Hitler” was to declare war; at what point, and how, do we “stop the Russians”? Are they (Mr. Rippon implies they are) a potential enemy, or are they merely somewhat unruly friends, so that we should spend millions on defence “over a ten year period” just to play the game and humour them?

However the much more immediate danger to Britain lies in the ‘reunification’ of Germany in collusion with Russia. There is no difference other than in name between Nazism and Communism as a *system* of government: it is centralised Social Democracy backed by armed might to maintain centralisation; and it means the end of nationhood. The easiest route to the final objective of World Government (or World Communism, as Brezhnev prefers to call it) is *via* the Common Market, peacefully; otherwise ... by whatever appropriate means. And that is the reality behind the “deliberate” rundown of our professional forces, the disbandment of the Territorial Army, and the abandonment of any form of home defence. And if the Conservatives are in the seats of power when the crash comes, let them look out.

30/5/70

## 11

One of the late C. H. Douglas’s most important contributions to the understanding of political reality was his recognition that warfare, *including Party political warfare*, is of the nature of a prize-fight, fought not for the benefit of the contestants, but primarily for that of the promoter. A limited tenure of office is the prize awarded to the successful Party in an election, but the gain to the promoter is increased centralisation of power which continues irrespective of Party. The basic agenda of any election is the increase of government power, under the guise, these days, of increased efficiency or greater competence. Society is conceived not as a mutually beneficial association of individuals, but as a semi-military organisation geared for the maximum of production, irrespective of the nature or destination of that production. Production for an export surplus—now being transmuted into production for aid to underdeveloped countries—is pure economic loss. Accelerated capital development is the sacrifice of present generations for the hypothetical benefit of succeeding generations; or, as Douglas put it, the chief effect of improvement of process is not to shift the burden of work from the backs of men to machines, but to enable the worker to do more work. And as the national capacity for production outstrips the national capacity for consumption, the problem becomes international, calling for World Government. And just as all federations of States lead inexorably to domination of the Federal Government over the States, so the emergence of the organs of World Government will lead to the end of national sovereignty.

In this context, there is now very little hope left for Britain as a cultural entity which in its heyday impressed its pattern on the world. The leaders of the major Parties are self-proclaimed internationalists, appealing, as Douglas said, to “an anonymous, irresponsible, and misinstructed ballot-box democracy ... if our destinies be submitted to decision by that process, the outcome is a mathematical certainty—our final eclipse”. Unless internationalism, however disguised, is denounced in Parliament as the treason it is, that dire prophecy will shortly be fulfilled.

13/6/70

## 12

For a long time Peter Simple in his column in the *Daily Telegraph* has directed attention to the existence of treason in Britain, without, apparently, stirring a ripple of interest. But when Mr. Enoch Powell

“wondered” about possible treason in the Civil Service, the reaction was immediate and deadly. And yet, how has it come about that once-Great Britain cannot conduct an independent foreign policy; that the world’s first and greatest industrial power is inferior to the enemies she defeated in two world wars; that the country where the Englishman’s home was his castle is now afflicted with a racial problem?

As good an answer as any is to be found in the words of Dr. Arnold Toynbee: “We are working discreetly, but with all our might, to undermine the sovereignty of our respective nations”. That was in 1931, and if the statement had got the sort of publicity accorded Mr. Powell, it might have been considered to be treason. But it was ‘discreetly’ ignored. Nevertheless, it has been the underlying policy to which British governments either consciously, or more or less unconsciously, but under duress of international financial ‘obligations’ have conformed; it is the path which has led to the ‘negotiations’ for British subjection to the Treaty of Rome.

There are some faint signs that the Heath Administration is becoming aware that the problems which confront it are not merely problems of better management. The economy is *unmanageable* in conventional terms, but there is no indication that Mr. Heath yet recognises that fundamental fact; if he does not, it will be his fate, in all probability, to preside over the final disappearance of the British people as a separate entity.

22/8/70

### 13

*From Sir John Glubb:—*

#### SURVIVAL OF BRITAIN

(Published in the *Observer*, August 2, 1970)

SIR,—May I venture to comment on your last Sunday’s article by Colin Legum, ‘Sir Alec’s goodies and baddies’, and on your editorial on July 19, ‘Lost World of Sir Alec’? I am no party politician and am concerned only with the survival of Britain as a whole.

Your editorial suggested that the reactivation of the Simonstown base was unnecessary and that the Russian Navy would not interfere with our merchant ships except in war. I feel personally that the distinction between peace and war is out of date, as witness Russia’s recent assumption of a dominating position in the Middle East by the use of armed forces but without firing a shot. The art of using diplomacy and armed strength together as a single integrated system is one requiring great skill and a high standard of technical proficiency.

To take an example, suppose the Royal Navy is withdrawn from the Indian Ocean and the Russian fleet takes over, and one day begins to stop, obstruct and search British merchant ships. What could we do? The ‘aggression’ is not sufficient to justify a nuclear war, but if it continues we starve. With no forces in the area, we can only bow to Russia’s terms. Only a British fleet in those waters can protect the commerce on which Britain lives.

I submit that we should start on this basis: ‘It is essential for our survival to maintain a fleet in the Indian Ocean.’ Once this axiom is established, we can move on to discuss the best method to achieve it. We now seem to be arguing furiously over the details before establishing our basic principle.

Meanwhile we are daily losing ground. Mauritius, the ideal naval base for the Indian Ocean, and for 200 years a British colony, has just concluded an agreement with the Soviets. As soon as the Suez Canal is open, the Russians will probably be able to use Aden. This situation is a matter of life and death for Britain and should not become a tool of party politics.

*J. B. Glubb,  
Mayfield.*

The week ending August 8th, 1970, saw two gigantic strides towards the culmination of the conspiracy to establish an impregnable World Government; a renewed German-Russian non-‘aggression’ pact, and the adoption of the ‘Nixon’ plan for a 90-day ceasefire in the Middle East. The former signals the informal but effective conquest of Europe and demise of NATO; the latter presages ‘Russian control of the Suez Canal and strategic dominance of the Indian Ocean’. Desmond Wettern, Naval Correspondent for the *Sunday Telegraph*, reports (August 2, 1970) that Russia is stockpiling arms “every month” in Socotra and Aden, and has laid down heavy mooring buoys for large ships off the Seychelles. It could hardly be said that these effects are the result of the Wilson Administration’s East of Suez policy; but it can be said that that policy was in accord with Russian objectives in the area. And it can also be said that Mr. Heath’s Administration has no more hope than a feather in hell of retrieving the situation unless America is to guarantee nuclear protection for the several years which would be required to secure the maintenance of a fleet in the Indian Ocean, which, as Sir John Glubb points out, is essential for the survival of Britain “as a whole”, i.e., as a national entity.

From a strategic point of view, the Cold War is over, a victory for “the art of using diplomacy and armed strength as a single integrated system”. The remaining question is whether rebellion is still possible. It cannot be armed rebellion unless the Insiders in Washington are overthrown; the integrated global opposition to the arming of the Republic of South Africa is evidence enough of that. The only practicable rebellion in sight is the implementation of financial unorthodoxy, combined with exposure of the forces behind such instrumentalities of World Government as the International Monetary Fund; for, as *The Times* (August 1, 1970) remarks editorially, “In fact in the period from 1966 to the present day, British economic policy has been strongly influenced and almost at times controlled by the International Monetary Fund and by official foreign creditors. We may have been sovereign, but we were not our own masters.” What is Mr. Heath going to do about that?

Of course, *The Times* is freely admitting only so much of the plot as is already widely obvious; in fact, British economic policy has been largely controlled ever since the end, or perhaps the middle, of the First World War, and the only real service the Heath Administration can render the British at this juncture is to document and expose the fact. In *The Brief for the Prosecution*, C. H. Douglas outlined the indictment; our survival depends on pressing it home, and regaining mastery of our economic policy; the way to do that is progressively to restore the purchasing power of currency and eliminate confiscatory taxation.

According to figures given in Compton’s Encyclopaedia, leisure has increased by fifteen hours, from 57 to 72, in the fifty-six years from 1900 to 1956—an average of about 17 minutes per year. In the same time, productivity has probably increased by a factor of over 100. All that has happened, of course, is that labour “saving” machinery and advanced technology have merely allowed workers to do more work and squandered resources, particularly of fuel, which are ultimately irreplaceable, and calculated to last only another two or three thousand years. And yet the idiot economists are still screaming for more “employment”, being themselves in the employ of those to whom the industrial system is basically a system of government.

5/9/70

Armed conflict is the ultimate endeavour of the Government of one country to impose its will on the people of another, already having achieved sufficient centralised control over its own people to do so. As Clausewitz put it, war is the continuation of policy by “other” means. The “policy” is simply all-powerful Government, and the ultimate objective is World Government. In more primitive times, the objective of war was more clearly discernible—simply to enslave the conquered people—to force them to work for the benefit of their conquerors.

The export racket which for centuries has bedevilled the British represents the imposition of an alien policy upon them. Clearly, the astronomical debt which the British are alleged to owe to foreign financiers can, in the last resort, only be “paid” by a massive excess of exports over imports; but, who, apart from the

“underdeveloped” countries *wants* those exports? The financiers who “own” the debts do not want and could not use the goods; but they can and do use the indebtedness to impose policy. The historic admission by the *Times* that “we”, meaning the British Government, are not our own masters summarises the situation which we have endeavoured to make plain in these pages since the inception of this journal.

In no real sense could the British possibly owe the world the immense quantities of goods and services represented by the alleged monetary debt. The world, indeed, owes its industrialisation originally to British initiative *and exports*. There is, of course, a general impression, carefully promoted, that we are still paying for the wars we “won”; but in fact wars in actuality are paid for as they are fought; their “cost” is measured in the physical destruction entailed. And if Britain “won” the wars, then the Germans should have rebuilt devastated British homes and factories, supplied essential British *imports* for nothing, and furnished the British with cars and aircraft and all kinds of consumer goods, the British meanwhile living in holiday conditions until restitution had been made.

The plight of the British is so patently absurd—a country which led the world in industrialisation now threatened with what Mr. Carr calls “economic disaster”—that for *any* Government to allow the system to remain unchallenged, in the light of all the evidence of deliberate intent now available, is for it to be guilty of complicity. As an Opposition, the present British Government had an opportunity to expose the real situation; but its accusation of “incompetence” has simply boomeranged. If, as seems probable to the degree of certainty, “disaster”, economic or physical, ensues in the near future, the present Government will be utterly discredited and destroyed. And all anyone outside Government can do at this stage is to make the fact crystal clear. The Government must either challenge, through financial reform, whoever “our masters” are, or the British will disappear as a political entity.

\* \* \*

The present Middle East situation stems proximately from the Balfour Declaration, which has made possible the virtual Soviet control of the area. At stake is Europe’s oil supply. Thus the Cold War is almost over, and the permanent enslavement of mankind in sight. We have, for practical purposes, been through the Orwellian (1984) phase; the future begins to look more like Huxley’s *Brave New World*. Any idea that we may be saved by conflict between Washington and Moscow, or between Peking and Moscow, is a carefully inculcated delusion. But without the simulacrum of such conflicts, how could the present catastrophic situation have been brought about? If the Nazis were where the Soviets are, the world would know what to think. But brainwashing has blinded the world to reality and paralysed it.

17/10/70

## 16

An article by Stewart Steven, Foreign Editor of the *Daily Express*, published in that paper on June 8, 1970, estimates that the Russians could secure control of the Suez Canal in just twenty-four hours, for use “as its own private highway deep into the Indian Ocean”. This view of the Middle East—and indeed, world—situation will be familiar to consistent readers of *T.S.C.*, but generally speaking, it seems to be excluded from the Mass Media and in consequence most people seem blind or asleep to the danger. Mr. Steven writes: “For Britain, in particular, the effect would be catastrophic and incalculable. Our oil would be cut at the source—our trade routes and our enormous investments in those areas would be put at peril.”

But the present situation is now more of the nature of a *fait accompli*, and it has been brought about more than anything else by the dismemberment of the British Empire. The Russians *are there*; how can it be even imagined that they would passively watch the reconstitution of a force capable of dislodging them? “If the Soviets take the Suez Canal by force they must be met with force” (Steven). What force? When the Egyptians “took” the Canal, American “force” was deployed against the British and French; has *that* leopard changed its spots?

\* \* \*

“The Labour party is the party of internationalism. The Conservative party is the party of patriotism.

Unlike the Labour party, it is a party committed to the idea that this nation, as a nation, shall continue to exist.

“The only hope of the Conservatives is to awaken the sleeping patriotism of the electors to the fact that the nation is in danger.” Thus Peter Simple in the *Daily Telegraph*, June 9, 1970.

Unfortunately, the Conservative party also contains internationalists: Mr. Heath has said that he is one of them. The writing concerning the danger to Britain has been very plainly on the wall since 1967 and only a little less plainly for several years before that. But the issue has always been between patriotism and internationalism, and the Conservatives have been too compromised by their own involvement in internationalism to bring the issue into the open by the denunciation of traitors, with chapter and verse. The Conservatives have “won” the election but their future is uncertain. Unless the patriots among them can defeat the attempts made by their leaders to get Britain to adhere to the Treaty of Rome, our continuance as an independent country will cease. Force now is incapable of stopping the Soviets, unless the U.S.A. is prepared to use nuclear weapons. But exposure of traitors could just possibly alter the political climate. If internationalists began to fear for the safety of their own skins, as collaborationists did when the tide of war turned, who knows what would happen?

11/7/70

## 17

*American Opinion's* SCOREBOARD assessment of the degree of Communist control in Britain as of July 1970 is 70-80 *per cent*. This estimate would have been made before it was known that there would be a General Election in June, but still in the light of the fact that the majority of the Public Opinion Polls reported the Labour Party as being in the lead. Since then, to the consternation of the political commentators, the Conservative Party has been returned to office.

This is almost certainly a change for the worse. The economic predicament of Britain cannot be resolved by “better management”. The Conservatives (what do they think they are ‘conserving’?) cannot either as the Opposition or as the Government mobilise industrial unrest and the forces of lawlessness and disorder for conservation purposes; but the Socialists, and the Communists behind them, are hell-bent, in or out of office, to destroy the existing British society. The orthodox ‘remedies’ to ‘control’ inflation—wage-freeze, price-control, further devaluation—are first class social irritants, made-to-order weapons for the Commu-Socialists to attack the Tory Government; but they will not halt inflation, which is the virus which is destroying the Western world.

What is the *apparent* agenda for the Conservative Administration? Well, restore the purchasing power of the pound; restore law and order; rebuild home defences; “secure . . . the safety of the nation and the maintenance of its commitments throughout the world” (Mr. Rippon); harmonise race relations.

But, of course, joining the Common Market would sidestep the difficulties involved in this agenda, or so it might seem to anyone sharply confronted with them. This result could have been achieved thirty years ago by allowing Hitler (or those behind him) to conquer Europe bloodlessly.

25/7/70

## *Warning the West*

### 1

There has been hardly a word related to reality appearing in the British press since the Russian Czechoslovak manoeuvre. The *Daily Telegraph* editorial of Nov. 18, 1968—"NATO's Late Awakening"—for the first time spells out the situation already analysed in an article written in early September, and published in *The Social Crediter*, Sept. 21, 1968 ("Instant Danger"). The *Telegraph* says: "But public opinion in the NATO countries should know, as it is to be hoped that the culpable NATO Governments know, and as both the Russians and the countries they are threatening certainly know, that NATO is powerless to give any effective aid. It is an illusion to think that NATO's great but dwindling air and naval superiority in the Mediterranean might somehow be brought to bear. Russia's strength on land, and in land-based aircraft, would be overwhelming at the crucial points. Furthermore, along the whole line of confrontation with NATO, from Norway to Turkey, Russian conventional preponderance is so great that she could in retaliation smash through to the West's vitals in a few days in many places simultaneously.

"Would America then risk nuclear war, in which she and the West would be devastated as much as Russia, for Yugoslavia and the others? . . . The answer is clearly, no. It is, in fact, no more than a possibility that America would use nuclear weapons in retaliation for a clear-cut aggression against Berlin or West Germany.

". . . Now, if there were war, it would probably all be over in a few days. So what is to be done? Bring NATO forces up to maximum efficiency within the severe limits of their inadequate size . . ."

The *culpable* NATO Governments . . . "Culpable" means criminally responsible. Perhaps it could be said of the succession of Conservative British Governments that they were merely criminally *irresponsible*; Mr. Macmillan's "winds of change" speech certainly signalled the unleashing of chaos in Africa. But they did try to stop the rot in the Suez crisis of 1956, and were virtually disarmed in the 1962 Nassau agreement following U.S. abandonment of the Skybolt project. But both the Socialist Administrations have consciously and deliberately pursued policies designed to subordinate Britain in an internationalist order which, as has now become quite clear, is to be policed and maintained by the armed forces of Communism: yesterday Czechoslovakia, tomorrow Britain.

The fatal deterioration in the strategic situation is further highlighted by a speech by President Tito, reported in the World Service of the B.B.C. on Nov. 30, 1968. Tito said that Yugoslavia needed no assistance from the U.S.A. in defence, and did not recognise 'spheres of influence'. This is clearly enough a warning that the Eastern Mediterranean is being closed to the West, and makes nonsense of the idea that Yugoslavia is 'next on the list' for Russian invasion, and under the protection of the U.S.

\* \* \*

There is probably a vague feeling in Britain that if the electorate can survive the Wilson Administration's policies for another two years they will be able to throw the Government out of office, and all will be well. Nothing could be further from the truth. The fact is that *no* Government can, by better management of a now patently unworkable economic system, rectify the present situation. Criticism of the Government's 'incompetence' misses the point completely. What Britain can 'afford' under the Wilson regime or any visible alternative has nothing to do with Britain's real productive capacity, which is much greater now than it was when Britain colonised a large part of the world and subsequently fought two world wars. Her present alleged relative poverty is purely a matter of book-keeping; unless that is rectified, economic collapse followed by Communism is certain—unless the Communists get there first. Economic collapse means the breakdown of law and order; and Communism is simply the maintenance of law and order by force in place of economic inducement.

It is simply amazing that no one seems to see that Britain's position is exactly as if she had lost the war.



Restraint of home production in favour of unrequited exports (which is what a balance of payments surplus is) is merely paying tribute to the victor. The victor, of course, is World Government, hitherto exercised through financial power but in the imminent future to be maintained by naked force.

28/12/68

## 2

One of the late C. H. Douglas's guiding maxims was that it was not what anyone said, but what he did that had to be taken seriously. The leading article in the *Times*, Dec. 5, 1968, professes surprise that *Pravda* "yesterday wrote as though the Labour Government had been waiting for something like the invasion of Czechoslovakia simply and solely to use it as an excuse for reviving the cold war". But the article notes "the entry of the massive Soviet divisions into the advanced strategic area of central Europe".

The whole tone of this article expresses more hurt by what *Pravda* says than concern at what Russia has done. Yet the same issue carries a report by its Air Correspondent of a speech by Air Chief Marshal Sir Edmund Huddleston: "If the idea of using prolonged conventional defence to meet any Soviet thrust in Europe is to be pursued by Britain she must either reintroduce conscription, quadruple the size of the airforce and build up a reserve of aircraft and logistic support at least equal to the front line, *or capitulate*" (emphasis added).

Sir Edmund's estimate is that NATO's ground forces are outnumbered by probably three to one, with at least the same disproportion in the air.

The same article reports Admiral W. F. A. Wendt, commander-in-chief of U.S. Naval Forces in Europe, as saying that Britain and the United States "were no longer the two major sea powers". Yet the *Times* leader, after noting that "twice in living memory this country has been in mortal peril from submarine fleets", and referring to Russia's "prodigiously large submarine fleet", merely comments that if Russia "took military action elsewhere in Europe relations would suffer disastrously".

It is quite evident from the statements of military experts that Russia has achieved a decisive advantage. What ought to be equally evident is that even to restore what the *Times* calls "the carefully safeguarded balance of power in Europe" is an impossibility. It would take *years* to "quadruple the size of the airforce"; and what would Russia be doing in those years?

*There is no conventional military solution to the existing situation.* That is to say, the moment it becomes clear that the U.S.A. will not use strategic nuclear weapons, NATO has no alternative to capitulation.

Less than a week after the *Times* article, and in the middle of the American inter-Presidential period, when Mr. Johnson's authority is waning and Mr. Nixon's not established, it was announced that America's defence spending is to be heavily cut back, involving a slow-down of arms production and retrenchment of personnel. It was stated that this would not affect America's military preparedness *in South-East Asia*, so that the inference must be that it will affect preparedness in Europe, the Middle East, and the Mediterranean. At the same time, it was announced that the Russians are increasing 'defence' spending and, as a "Mediterranean Power", are determined to preserve peace in the Middle East. Let no one imagine that this is a threat aimed at Israel. It is a warning to American public opinion (for the Administration is in collusion with the Soviets) that any attempt to "safeguard the balance of power" in the area will be treated as 'imperialist aggression'.

The objective of all this is paralysis of Western initiative in the pre-take-over period which is upon us. The international monetary system is visibly breaking down through persistent inflation of prices which inevitably leads to strikes, and ultimately revolution—the pretext for Soviet intervention.

It is many years since Douglas warned that Parliament might not persist much longer; but that while it did, it was the sole agency through which the pressure of public opinion might be brought to bear on those responsible for the disastrous policies which have since encompassed the downfall of the British Empire, and reduced Great Britain to a mendicant at the seats of financial power. Britain's potential *physical*

capacity to have sustained the Empire which she created is greater than ever; the ruin has been caused by the traitorous permeation of Fabianism in the interest of internationalism—the subordination of British national sovereignty to the authority of international institutions, the organs of World Government, by those in control of the International Financial System.

Although its effectiveness *vis-a-vis* the Cabinet has declined enormously, and, since the destruction of the home defence forces (a potential challenge to Cabinet authoritarianism), almost vanished, Parliament still exists; on behalf of the British *people* whom it represents, it should call to account those responsible for our destruction. Douglas's warnings, now proved to have been completely accurate, have been continuously available to those in responsible positions. If these latter have ignored them through mental incompetence, they should be certified accordingly and put away. But if, as increasingly seems to be the case, it is conscious betrayal of national sovereignty which underlies the imminent catastrophe, impeachment is the last recourse.

11/1/69

### 3

If it is really true that Britain cannot afford to sustain the overseas defences—and, *a fortiori*, the home defences—which she sustained for the greater part of this century, how could she sustain the cost, many times greater, of fighting a war should one come about?

In an interview given to *U.S. News & World Report* and published in its issue of Jan. 20, 1969, Admiral George W. Anderson, Jr., U.S. Navy (Ret.), Former Chief of Naval Operations, was asked for his views of Russia's long-range strategy. He replied that he thought that "there is general recognition that the Soviet objective is world domination". He defined this objective as meaning "Russia's having the principal nations of the world either accommodate or be subservient to the Soviet Union in matters that they consider of importance to them".

In the long term, the "matters of importance" are absolute control of vital raw materials, and strategic dispositions to ensure the maintenance of that control. The most vital area of such control is the Mediterranean and the Middle East; thanks to British withdrawal 'East of Suez', control of the area has passed to Russia with its objective of world domination. As Admiral Anderson observes: "The Suez Canal could be denied to us and our allies either directly or indirectly, by the U.S.S.R. The Soviets would be in an excellent position *vis-à-vis* oil shipments from the Middle East, and commercial seaborne cargoes between Europe and Asia."

It is said that the Suez Canal is no longer important to the West—mainly because of the much larger oil tankers coming into use or under construction. But the main oil reserves are *in* the Middle East; and Russia has the world's largest submarine fleet.

Does all this mean that the British Government has thrown its hand in? Or something worse?

22/2/69

### 4

"If there is one safe (*sic*) prediction to be made about the 1970's it is that before the decade is over millions of Africans and Asians will have died through famine, war and massacre"—Peregrine Worsthorne in the *Sunday Telegraph*, 4 Jan., 1970. How the Western world will react seems to him "the most fascinating (question) which the new decade will have to answer". However, decades do not answer anything. What we observe within a decade is the outcome of policy.

In August, 1960, *The Social Crediter* published the following paragraphs:

1. It appears most probable that the disorders in Africa inaugurate the final phase in the strategy for World Dominion. The reason is that it is unlikely that the same situation would be brought about twice.

2. The objective of the U.N.'s handling of the situation is not to restore order, but to prevent such

restoration, and discreetly to increase it.

Mr. Worsthorne attributes “the grim trends already apparent” to post-colonial euphoria; we attribute them, and always have, to a coherent strategy, the outcome of a long-term policy—the destruction of the colonising Powers *as nations* to make way for the imposition of an International World Order. In the pursuit of that objective, the destruction of Africans, Asians and—we may add—Arabs, is merely incidental.

Mr. Worsthorne’s view enables him to take the further view that the Western world may well have a change of heart: “Surely it will not be long before the finest spirits of the age, the flower of European idealism, who now believe that colonialism is the shame of the past, come to see it as the hope of the future.”

The flower—or better, the buds—of European idealism were largely exterminated in two World Wars, to be succeeded by the destructive products of the permissive society and a gang of politicians who are now quite nakedly engaged in the pursuit of power; and the retention of power means conforming to the dictates of their international masters. When Mr. Churchill proclaimed that he “did not become His Majesty’s First Minister in order to preside over the liquidation of the British Empire,” it was completely obvious that he had been told, or could infer, precisely what was expected of him. And any aspiring First Minister these days would know without being told what would happen to him if he tried “to turn the clock back,” whether from horror at the ‘mistake’ of premature decolonisation, old-fashioned ‘imperialism’, or pure altruism.

Mr. Worsthorne disclaims guesswork in making his safe prediction; and we disclaim speculation as to the cause of the disasters in Africa and Asia. Decolonisation was a policy *imposed* on the ‘victors’ of the war, in order to bring about the results which Mr. Worsthorne deplures; it was laid down in Communist writings, not to mention more respectable Liberal books and periodicals.

Our alarmist extrapolation for the 1970’s is that the ex-colonial Powers will be *put to work* in the devastated colonial areas to reconstruct them according to the dictates of the masters of One World (a) to ensure the territorial ‘security’ of One World, and (b) to disperse the wealth which in the hands of individuals is a menace to Strong Government.

Anything else would require a Prime Minister and patriotically supported Government determined to challenge the One Worlders first by exposing and defying the financial trap to which Mr. Worsthorne referred in an earlier article,\* and secondly by preparing the country against military sanctions. Under such conditions a resumption of enlightened colonialism might become possible. But the material for such a Government is not in sight. If it were, the Wilson cabal’s “lies and evasions” (*Spectator*, and others) would not be tolerated in Parliament, and internationalism would be denounced as treason which, by definition, it is; and so is Europeanism, insofar as it involves any abridgement of British sovereignty, such as Hitler attempted, and millions died, or were ruined, to avert.

\*See *The Trap*, Appendix herein p. 107

*If this is British Election year, the issue is ultimate survival as a people with a distinctive culture, and it is essential to write it into the Agenda. Namby-pambyism has had its disastrous day. Perhaps Mr. Worsthorne will help.*

7/2/70

## 5

The *Daily Express*, 17 Aug. 1970:

“Washington, Sunday—

“The Nixon Administration is proposing sharp cuts in America’s 300,000-man military force in Western Europe.

“Informed sources believe that at the Brussels Nato Ministers’ meeting in December America will suggest that the cold war thaw could give the chance for mutual force reductions by Nato and Warsaw Pact

nations.”

The term “thaw” means to pass from a state of icy immobility to a state of movement. The “cold war” has meant immobility on the part of NATO, but not on the part of the Warsaw Pact countries. The “invasion” of Czechoslovakia was, in fact, a logistical move of the greatest significance, quite comparable to the occupation of the Sudetenland by Germany as a prelude to World War II. Russian forces, *and* stockpiles, *and* communications, are *in* Czechoslovakia; *but*, the Russians say, merely to enforce the Brezhnev Doctrine; which means that these troops could not participate in any “mutual” withdrawal of forces. Furthermore, the Russian troops in the Middle East are there to protect the Arabs from ‘invasion’ by Israel, so they too could hardly be expected to withdraw.

Commenting, more or less, on this situation, the leading article in the *Daily Telegraph* (17 August, 1970) says: “President Nixon, despite America’s vastly superior wealth, must use every trick of the political trade to show Russia that she will not be allowed to win the arms race and then dictate terms ... If Western European forces *continue* (our emphasis) to run down unilaterally, goodbye to all hopes of anything like a level bargain with the Russians”. But the *Telegraph* also says: “Russia is able to outnumber NATO by more than two to one, to build a worldwide navy and to threaten to out build America on missiles.” This means, if correct, that Russia *has won* the arms race, unless it be supposed that this superiority has come about by chance. But to anyone who can see that “Russia” and “America” are but two arms of a single Conspiracy to achieve a monolithic World Government, the notion of chance is but delusion with, on the part of honest commentators, a high degree of wishful thinking. With an eye on Russia only, the *Telegraph* describes the situation as “the recipe for world domination”! What else?

In short, if the Moscow-Bonn Axis proposes to “dictate terms” to Europe, it is already in a position to do so, and the “tricks of the political trade” are simply tricks to blind the Common Man to the actual reality of the moves that have been and are being made. To imagine that Russia, having achieved superiority, would allow the attainment of “balanced forces” is like imagining that a Socialist millionaire would divide all his wealth equally among the poor.

Grim and deadly though the situation is, there remains for the time being, a possible way out. The last thing the Conspirators want, or could even afford, is a large-scale war. The credible *threat* of war, yes; but war that would destroy the assets on which their power depends, decidedly no. But that cherished power is exercised through financial manipulation, and a challenge to that power of manipulation would pose to them that very threat of war which would end not only their power, but even their physical existence. Any attempt to overcome Russia’s European superiority would be denounced as ‘aggression’, and dealt with accordingly, but rectification of the economic system, which would be fatal to the aspirations of the Internationalists, would have to be countered by *actual* aggression, which this time could be deterred by a determination to use nuclear weapons if necessary. This implies the risk of sudden annihilation, as against the certainty of a not very gradual national obliteration. The idea that if Communism conquered the world, all the peoples of the world would thereby achieve the American standard of living is too silly to discuss.

19/9/70

## *World Government and the Common Market*

### 1

It is not surprising that the peoples of ‘underdeveloped’ countries have delusionary ideas about self-determination, but what is alarming is that despite warnings and experience this Communist strategy is not recognised for what it is: war against Western Christian civilisation which stands as the obstacle to scientific, materialist, World Government which assuredly will resort to genocide, compulsory birth control probably through sterilisation or castration, and slave labour camps to discipline the proletariat—all to ensure the survival of a ruling class against the threat of the population explosion.

Genocide we already have, wherever arms are or have been supplied for internecine war.

Terrible progress was made during 1968 towards overt World Government. The signs are that if the point of no return has not already been passed, it will lie within 1969. And if time remains for rectification, it must not be lost. It is twenty-three years since Douglas warned that an accounting must be had with those concerned to bring to pass the disasters which have now so nearly brought down civilisation. If patriots will not soon bring to account the internationalist usurpers, the basis of patriotism will be destroyed.

25/1/69

### 2

Speaking to journalists in Munich on Feb. 2, 1969, the British Defence Secretary, Mr. Denis Healey, admitted that it is now doubtful that NATO could put up a successful defence against the Warsaw Pact countries for more than a few days. Commenting on this statement, the *Daily Telegraph* next day remarked, “Mr. Healey is at last awakening, slowly, after years of unilateral disarmament, to the fact that Europe is wide open to Russian attack. He is now saying, with a sense of startled shock . . .”

The picture of Mr. Healey having been asleep all these years, not even having read the appreciations of the situation which have from time to time appeared in the *Daily Telegraph*, and of now being startled and shocked, is neither credible nor helpful. It is a variant of the “village idiot” theory, and thus avoids the implication of treason. But even if Mr. Healey had been asleep or otherwise incompetent, even a journalist should know that it is not the Defence Secretary’s policy which is in question; it is that of the Fabian Socialist Government’s policy, formulated on a long-term basis by the Fabian Research Bureau.

The essence of Fabian strategy is that its consequences should be irreversible and appear inevitable, epitomised in the saying that you cannot unscramble an omelet—to which should be added that you cannot grow chickens from omelets. So Mr. Healey’s statement is more in the nature of a disclosure, the meaning of which is that NATO is inevitably confronted with what the *Times* calls “this impossible choice—‘surrender or fry’”.

Of course, the Fabians do not *mean* surrender to the Russians, as such; they mean surrender to a World Government, with Russian and American co-operation in ensuring that the abolition of the economic power of individuals (except those running the World Government) and classes is made permanent.

The alternative to “surrender or fry” is supposed to be “the creation of forces of roughly the same strength as those at the disposal of the Russians” (*Telegraph*). True, if we did that, we could have a really good conventional Third World War, like the Second World War, only with a change of allies, and bigger and better. The only trouble is that we would have to ask Russia’s permission to create the necessary forces and, in any case, the British Government says we can’t afford to.

Anticipating the Second World War, the late C. H. Douglas suggested that the day war broke out, the traitors responsible should be shot. In those days, there was much less available evidence of treason than exists now in relation to the impending catastrophe for Europe and Christian civilisation. The men responsible must be brought to trial. What are we waiting for?

8/3/69

Socialism appears to have three levels of recruitment. The lowest and, today, the least important and relevant is the misconception that the poor are poor because the rich are rich. Historically, with the rise of industrialisation, this view appeared to be justified. There was grinding poverty, and immense fortunes were made. But even then, the *personal* consumption of all of even the moderately rich relatively did not amount to much. The spending of fortunes went into the construction of capital goods, useless to the population as food, clothes and shelter. This is the typical war economy: guns before butter. And, leaving aside death through malnutrition and unsanitary environment, early industrialism *was* a war economy—battles for export markets and the competitive development (then called exploitation) of undeveloped countries. Eventually, the benefits of industrialisation became available (though even now not to anything like the extent potentially available) to the home consumer.\*

\*See *The Development of World Dominion*, Notes 123, 126.

The second level of recruitment is the intellectual. Here a good deal of misguided idealism (most Socialist intellectuals probably could not construct a box, let alone develop and run a factory; they are characterised by a passion for giving orders to those who can, and confiscating the product) is compounded with an undue proportion of envy, malice and spite. They are the Non-Commissioned Officers in the army of Socialism, whose position is maintained by having troops (“workers”) below them. Their concern is to promote the importance of Employment: what is the use of being a Labour Boss if the troops are vanishing? A modern Social Conscience of course requires that the troops should be comfortable and well-fed in their barracks, and kept fit for working; but the important thing is that they should be *there*. To this end, *some* ‘unemployment’ is exemplary—a requirement of discipline.

The third level is the Financier-Capitalist level—in fact, the apex of the pyramid, where the primary, and perhaps only, objective is Power, on an international scale.

The point to be kept in mind in all this is that *the standard of living for the individual is governed by the ratio of consumer-production to capital-production*. (Capital here refers to physical production, not finance-capital.) Capital production is in fact the ‘profits’ against which traditional Socialism has been accustomed to inveigh. Now if this is grasped, it should be apparent that the Socialists are the best organised profiteers in history; their objective is to restrict consumption, and expand production by means of forced ‘development’, production for export, and the pursuit of technology. Education in its proper sense (the flowering of the potential individual human personality) is subordinated to producing workers and technologists in the proportion demanded by the requirements of industry.

It is against this total background that the ‘achievement’ of putting men on the moon must be seen—the larger lunacy. If this had been done by ‘private’ Capitalists out of profits ‘wrung’ out of the worker by exploitation, what an outcry there would have been! Yet the economic reality underlying the enterprise is one and the same thing. Socialist taxation is, economically, precisely the same thing as private Capitalist profit, except that it is very much more extortionate.

Modern astronomy and astro-physics have made gigantic strides in our understanding of the universe; it is hardly too much to say that all the major problems have been solved in principle at least. Even so, it makes no real difference to any particular generation what the age of the Universe actually is and whether or not it is expanding; nobody can *do* anything about it. The idea of colonising the moon, let alone one of the planets of our system, is probably pure moonshine, though few scientists have the nerve to say so. Professor Fred Hoyle, however, does say\*: “I find it ironic that doubts are being cast as to whether sums of the order of 100 million dollars can be afforded for the construction of new accelerators because sums of *tens of billions* are being afforded to set a man afoot on the ruined slagheap we call the moon”. It is, of course, the information gained by the use of particle accelerators which has solved so many fundamental problems.

\**Galaxies, Nuclei and Quasars*.

So far as ordinary human needs are concerned, the space programme is a gigantic swindle; the fascination of seeing “the first” man on the moon is not likely to be repeated with the second or any others.

As a spectacle, man's activities on earth, his proper habitat to which he is attached by incredibly delicate physico-chemical and psychic mechanisms, are of infinitely greater interest than anything anyone is ever likely to see televised from space. Even if, for some remote future, this forecast is too pessimistic, it is certainly true that the resources and energies of these present generations are being squandered and gambled for the extremely doubtful benefit of our indefinitely remote progeny.

But it may well be that there is something more behind the spectacular nonsense. The programme has 'justified' the construction of an exceedingly complex global communications network; and this may well be a sort of electronic brain to serve the undisclosed purposes of World Government. It is quite beyond all reasonable doubt, now, that there is in existence a World Government, still largely occult, but discernible in its manifestations: "a compact organisation, almost impossible to identify completely, possibly controlled at the top by something the Churches call Satan" (C. H. Douglas). This is a matter which those theologians who have not substituted social 'science' for Christian theology might well take seriously. The Gospels bear witness as much to the existence of Satan as to the divinity of Christ; by their fruits shall ye know them.

The point is that the forces which inflicted on Graeco-Roman Christian civilisation the physical *and cultural* destruction of two World Wars and the Great Depression are active in the world today. The First World War effectively eliminated a generation, inflicting an almost mortal blow on cultural continuity. This attack has been continued in the perversion of education into a system of mental conditioning by which technological values have been substituted for cultural, and the amoral standards of the 'permissive' society insinuated, reaching its apotheosis in the U.S.A. with systematised sex instruction of infants in schools.

In short, the means employed are a strong indication of the end intended. We are, in effect, going through the Orwellian (1984) phase, leading to the Huxleyan *Brave New World*. But in practical terms *internationalism* is the enemy, and national promoters of internationalism are traitors and will have to be dealt with as such—an objective which transcends Party Politics. Thoroughgoing patriotism, combined with defiance of the World Bank even at the risk of military sanctions is, so far as we can see, the one alternative to perpetual enslavement. The ultimate power of the Enemy is based on deception, and an informed challenge to that power would end it.

6/9/69

#### 4

An AAP-Reuter report published in *The Canberra Times*, April 18, 1970, quotes Mr. Brezhnev as saying at the official celebrations marking the centenary of the birth of Lenin: "It will take no small efforts to win a final and full victory. But we are confident this victory will come". This is merely a re-affirmation of Communism's militant intent which is steadfastly pursued under the banner of "peaceful coexistence". The continuing Soviet arms build-up (to which 'arms limitation' for the West is complementary) is the hard evidence of this intent.

The idea of 'victory' quite necessarily implies the idea of opponents; but the tragedy of the present situation is that while the Communists proclaim themselves the enemies of the values embodied in Western Christian civilisation, the 'leaders' of the West have lost sight of what they are supposed to defend so that, having been disarmed, they are interested only in negotiating the terms of 'peace'. For, essentially, that is what the Common Market 'negotiations' are all about. World Peace is to mean simply that no *nation* can act independently of the World Government.

This is the essential background of the Strategic Arms Limitation Talks (SALT). In an article in the *Daily Express* (April 14, 1970) Chapman Pincher points out: "The two giant powers could make a deal of vital significance to this nation's security and the Government might not know about it in time to escape the consequences". But in fact it is all too probable that Mr. Wilson has foreseen these consequences, and that they suit his book—that the accelerated disarmament of Britain for spurious 'economic' reasons, indeed, was part of the foreseeing. The *Express* editorial accompanying Mr. Pincher's article suggests repairing the damage by building immediately another Polaris submarine, and planning immediately to build three more. But if Britain has enemies, and is already disarmed—as she is—it is nonsense to suppose that those enemies will tamely permit such an 'aggressive' act.

It is something worse than childish to suppose that the U.S. and the U.S.S.R. are going to bomb each other out of existence to preserve the peace of Europe; their objective is an accord to preserve the peace of a Communist World Government, whatever its ultimate title may be. The 'ceasefire' agreement is the Treaty of Rome, pending more definite arrangements under, presumably, the U.N.

To many no doubt, this seems a reasonable solution to the world's troubles. But it is essential to realise that the industrialised nations are *too prosperous* for the purposes of World Government; their wealth must be siphoned off (peacefully, if possible) to aid the 'underdeveloped' countries. Even this might seem reasonable, until it is viewed against the background of wars, massacres, riots and permissiveness with its mounting crimes and terrors which have led to the present situation. There is no prospect whatever of gathering figs from thorns. The Stalinist purges were a trailer for what is intended when *national* resistance to international Stalinism has been finally rendered impossible—largely through treasonable activities.

It is something like thirty years since Douglas called the then existing situation "unprecedentedly grave"; it is now disastrous. And the only slight hope we see lies in the carefully documented exposure and denunciation, in the House of Commons, of the traitors who have contributed to the disaster. There is ample evidence in the bibliographies of a number of books which have been recommended from time to time or repeatedly in these columns. But, again as Douglas pointed out, if there is no conspiracy, our situation is hopeless.

16/5/70

## 5

The idea underlying the Common Market is the idea that underlay Hitler. Hitler, to use the popular saying, was no more than the tip of the iceberg, the great reality being an immense totalitarian bureaucracy. If that happened to be a German, or even a Prussian, bureaucracy, it might be distinguishable as an oppressor; but a multinational bureaucracy which would have enormous powers would in the end be just as oppressive, but less distinguishable because more anonymous and hence, virtually impossible to overthrow. Nuclear war being 'unthinkable', armed forces would become police forces. The idea that elected 'representatives' would have any control over this apparatus is absurd. Furthermore, if Britain, for example, did not like the results (and it must be assumed that Britain fought 'Hitler' in anticipation of such results) any attempt to contract-out would be illegal—an act of 'rebellion'. The overriding objective of the organisation would be "greater industrial efficiency" and, of course, the development of the underdeveloped countries, meaning a redistribution of wealth on a world scale; so long as workers with coloured skins were getting less than those with white, a need for equalisation of incomes would be apparent. Greater industrial efficiency might well require the relocation of workers having 'special skills'; any objection by nationals to being relocated among foreigners no doubt would attract the attention of the Race Relations Board. And so by easy stages to 'desegregation' of employment and an "end of nationhood".

Despite the virtual conspiracy of collusion between the Party leaderships to keep decisions about joining the Common Market and abrogating British national sovereignty beyond the jurisdiction of the electorate, it is evident that the electorate is deeply uneasy to a degree where something has had to be done about it. The technique is an old and proved one: *organise* the dissidents, and then lead them up the garden path. Hence the Safeguards Campaign to gather in all those "who believe that Britain should not join the Common Market without stringent and effective safeguards". This of course means "*should* join the Common Market (with safeguards which can be dropped once the Treaty of Rome is signed)". The fundamental idea is to get the cattle into the pens first; while they roam around loose they may become unmanageable.

Mr. Heath has announced baldly in Parliament: "I am an internationalist". To be an internationalist means *not* to be a patriot; it means to look forward to the abridgement and ultimate abrogation of national sovereignty; AND THAT IS THE ISSUE. Every Member of Parliament should be asked to declare himself on that issue. The only Safeguard now is to turn traitors out of Parliament. *Get cross.*

It is vital to realise that if the British electorate is tricked into surrendering its sovereignty as a nation, the surrender will be irrevocable unless the whole scheme—plot—for One World Government collapses.



The nearer One World Government comes to achievement, the more catastrophic that collapse will be. Hitler's was an attempt at such Government, and its collapse nearly destroyed Europe, and in any case paved the way for the present attempt, or was part of it.

The date of the next British election—if any—is not yet known; but it probably marks the end of the remaining (and diminished) opportunity to preserve national sovereignty.

For remember: If treason is *allowed* to prosper (higher parliamentary salaries?) none *dare* call it treason. Once supreme international power is achieved, it will be used against those who have surrendered to it. And it is that surrender that Messrs. Wilson and Heath contemplate, step by “pragmatic” step under ‘competent’ leadership.

4/4/70

## *Conspiracy and Perversion*

### 1

In 1918 the late C. H. Douglas enunciated his first warnings of the shape of things to come. His predictions, years ahead, of the Great Depression, of the Second World War, of post-war developments, have all come true, *and continue to come true*. The worst is not yet, but cannot now be far away. And as we observed prior to the Election, it looks very much as if the Heath Administration will find itself in the hotspot, and powerless. They had their chance *as an Opposition*. Now, the Trap is almost fully closed. Only a rectification of the financial-accounting-system, *at the risk of war*, offers a way out. No doubt the British would rally to a patriotic cause; and perhaps the Finance-Communists would not dare to annihilate the British, particularly if they themselves risked destruction of their projected One World Government by the threat of atomic missiles on its nerve-centres of control. If the British have already lost this possible initiative, they have already almost certainly lost everything, and await anarchy as a prelude to autarchy.

Douglas became increasingly convinced that the plight of our times was due to Conspiracy, and that the remedy was exposure. The British Government must have the documents to substantiate this thesis. What were the *real* terms negotiated by Great Britain (or by the International Financiers conducting the negotiations) concerning the price of American entry into the First World War on the side of the Allies? Douglas considered them to be the Balfour Declaration (leading to the present situation in the Middle East), and external control of British post-war financial (economic) policy. In this perspective, the Great Depression, the rearming of Germany, and the *resumption* of World War are easily perceived as the outcome of a consistently pursued policy. "Inflation" is *not* a disease—it is a mechanism, carefully designed to bring about the State of the World as we perceive it to be—rising anarchy and preparations for World Autarchy.

Forty years' close observation of political-economic developments in the light of Douglas's analysis of political and economic reality have convinced us that the brief analysis put forward in this Note represents current reality; and if it does—and we can supply, and have supplied over many years, ample substantiation—then any other comment is superfluous. No disaster has ever been averted by turning a blind eye, or a misinformed intellect, to it. Mr. Heath is already striding confidently down the wrong road. The further erosion of purchasing-power leads by a steep declivity to the cliff-top at the end of it. The only question is whether the declivity offers any footholds for a climb back from the edge.

It is as if Mr. Heath—and Mr. Wilson too, and all their batteries of economic advisers, and the more or less officially recognised commentators—had been taught as children that 4 plus 5 equals eleven, or 7. Consequently, their arithmetical calculations are inevitably wrong.

The *Times*, 9 Nov., 1970, publishes a graph of the declining purchasing-power of the pound sterling from 26 shillings in 1886 to 3s. 6d. in 1970. A sharp decline between 1914 and 1920 down to about 9 shillings was followed by a recovery to 16 shillings in the early 1930's. From about 1934 there has been an unbroken decline in purchasing-power to about 3s. 6d. in 1970. An extrapolation of this graph—remarkably uniform in its slope—indicates that in about another three years the purchasing-power of the pound sterling will be zero.

It is quite evident that changes of government and repeated claims to better 'management' of the economy have made no difference to this constant erosion; and only slightly less evident that Mr. Heath is quite unaware of the problem—unless an unconscious awareness of it is driving him to seek entry into the European Common Market, with the idea that the smaller problem of British survival can be lost in the larger problem of European survival.

The fact is, however, that there is a quite fundamental defect in the accountancy system. Rectification of this defect would convert *depreciation* of purchasing-power into *abbreviation* of purchasing-power, and with it, an immediate amelioration of the social friction which is compounding the problem as well as erupting in disorder, damaging strikes, and progressive violence.

We state with complete certainty that the Heath Administration is pursuing a course which will end in disaster for the British *as a nation*. What will happen to the British *as individuals*, we do not know. If the form disaster takes is the Communisation of Europe, we can expect the effect on individuals to be what it has proved to be elsewhere—the liquidation of the “bourgeoisie”—i.e., the middle-class—as a class. The intensifying war of words—“over-population”, “pollution”, “underdevelopment”, etc., are what the late Lord Stamp, intending high taxation, once described as “suitable psychological preparation”.

12/12/70

2

1945: “There is a working coalition between the scum of the underworld and the richest men in the world to murder those from whom redemption for the underworld can come, in order that any threat to the power of the financier may be removed. The underworld will be dealt with just as easily as Stalin deals with any opposition, when the underworld has done its job.”— C. H. Douglas, *The Social Creditor*, Feb. 10, 1945.

1946: “Our first target is Great Britain, even though there may be a general impression that that country is only of secondary importance, and that all our forces should be directed against the United States. It should not be forgotten that Great Britain exerts a strong influence on four continents. Once this influence is extinguished, we shall have the masses at our disposal, and the field of action will be open. Everywhere we shall find allies in our fight against the British octopus, and against the head of that octopus, England herself.”—Marshal Tito reported in *Continental News Service*, Nov. 5, 1946.

1946: “It is not doubted today that Germany aimed at world conquest. What is not appreciated is the embracing nature of the strategy she followed. . . . ‘Remembering how large Russia loomed on the political horizon in 1904, it is easy to see why Mackinder cast that country for a role it has only now [about 1942-43] begun to play. In revising his thesis after the war of 1914-18, he retained Russia as the pivot area, calling it the “Heartland”. He then recognised Germany as the active force in a possible combination with Russia, extremely dangerous to maritime Great Britain’. (Derwent Whittlesey: *German Strategy of World Conquest*.)

“As a result of the defeat of Germany, the ‘Heartland’ [‘Eastern’ Europe] is now in the absolute control of Russia . . . .

“In considering this situation, we must ignore ideology. Ideology is a weapon. As Stalin said, ‘Words must have no relation to actions. . . . Words are one thing, actions another. Good words are a mask for the concealment of bad deeds’.”—*The Australian Social Creditor*, March and April, 1946.\*

\*Article *The State of the World*, republished with Introduction and additional Notes, 1967: K.R.P. Publications.

1970: “Britain at this moment is under attack. It is not surprising if many people still find that difficult to realise . . . . When we think of an enemy, we still visualise him in the shape of armoured divisions, or squadrons of aircraft, or packs of submarines.

“But a nation’s existence is not always threatened in the same way. The future of Britain is as much at risk now as in the years when Imperial Germany was building dreadnoughts or Nazism rearming. Indeed the danger is greater today, just because the enemy is invisible or disguised. . . .

“This country is today under attack by forces which aim at the actual destruction of our nation and society as we know them or can imagine them. . . .

“Have you ever wondered, perhaps, why opinions which the majority of people quite naturally hold are, if anyone dares to express them publicly, denounced as ‘controversial’, ‘extremist’, ‘explosive’, ‘disgraceful’, and overwhelmed with a violence and venom quite unknown to debate on mere political issues? It is because the whole power of the aggressor depends on preventing people from seeing what is happening and from saying what they see”.—Speech by Enoch Powell, M.P., June 13, reported in the *Sunday Times*, June 14, 1970.

1970: “The week ending August 8, 1970, saw two gigantic strides towards the culmination of the conspiracy to establish an impregnable World Government: a renewed German-Russian ‘non-aggression’ pact, and the adoption of the ‘Nixon’ plan for a 90-day cease-fire in the Middle East”.—*The Social Crediter*, Sept- 5, 1970.

1970: “The present Middle East situation stems proximately from the Balfour Declaration which made possible the virtual Soviet control of the area. At stake is Europe’s oil supply. Thus the Cold War is almost over, and the permanent enslavement of mankind in sight . . . Any idea that we may be saved by conflict between Washington and Moscow, or between Peking and Moscow, is a carefully inculcated delusion. But without the simulacrum of such conflicts, how could the present catastrophic situation have been brought about? If the Nazis were where the Soviets are, the world would know what to think. But brainwashing has blinded the world to reality and paralysed it.”— *The Social Crediter*, Oct. 17, 1970.

1970: “It has long been clear that there are people, with international connections, whose precise design is that ‘the mob should take over’ in industrial relations, in government, and in any other field where trouble can be fomented, whether it is race relations, or Miss World contests, or cricket matches. The purpose of this strategy is to destroy the fabric of capitalist industry and democratic government”.—Angus Maude, M.P., in the *Sunday Express*, Nov. 22, 1970.

1970: “ ‘I pointed out that in each case [examples of enemies within Britain] the tactics and success of the enemy consisted in forcing everyone to speak and write as if what was self evidently false was obviously true, so that law and order, reason and authority were themselves arraigned as responsible for the growth of anarchy and disorder.

“ ‘ The reaction of the media to this speech was, with certain exceptions, hostile, and even violent. In fact the word violent is rather an understatement, since the burden of much comment was not so much dissent as the assumption that no one who was not actually deranged could hold such views, let alone voice them.’

“Mr. Powell recalled that the *Guardian* had commented: ‘No one will ever listen to him again on any subject of national importance’. *The Times* had accused him of ‘dangerous nonsense’.”—*Sunday Express*, Nov. 22, 1970.

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In 1945, even when Germany’s defeat was apparent, C. H. Douglas referred to the existing situation as the gravest crisis in the world’s history: “It is essential to realise that the stakes which are being played for are so high that the players on one side, at least, care no more for the immolation of the peoples of a continent than for the death of a sparrow”.

But even the Mr. Maudes and the Mr. Powells (if there *are* others like them) seem to miss the essential point, which is that the heart of the conspiracy which is so plainly obvious to them lies within the world of International Finance, and some of the most apparently respectable international persons—such, for example, as members of the U.S. Council on Foreign Relations, or the Royal Institute of International Affairs—are the arch conspirators. At the present time the supreme power in the world is financial power, which means, of course, those who wield it. But this power is increasingly threatened by the progress of the industrial arts, and in the last resort can only be maintained by essentially military sanctions. *That* is why Russia, with the collusion of the U.S., has occupied the centres of strategic control of the world; that is why a defective financial system, whose most disastrous aspect is manifest in a wholly unnecessary inflation, is maintained at any cost—the cost being that growth of anarchy which alarms both Mr. Powell and Mr. Maude. Mr. Powell is as much constrained to take certain financial falsities as true as others are to take what is self-evidently false as obviously true—and for the same reason. He too can be made to play his part in destroying the fabric of capitalist industry and democratic government, because a *failure to recognise* the purposeful maintenance of a mathematically defective financial system as the basic cause of the discontent, which is organised and manipulated by lesser conspirators (*but under the overall strategic direction of the Inner Conspirators*) to produce the anarchy which is the prelude to a Communist take-over, is to play into

the hands of the enemy. The Communists can handle anarchy. But they cannot withstand full-scale exposure—yet. Later they will boast of it.

Finance and Soviet-style Communism are two components of a single strategy; and any counter-strategy which fails to take that well documented fact into account ultimately plays into the enemy's hands. Mr. Powell sees some of this: "We are told that the economic achievement of the Western countries has been at the expense of the rest of the world and has impoverished them, so that what are called the 'developed' countries owe a duty to hand over tax-produced 'aid' to the governments of the undeveloped countries. It is nonsense—manifest arrant nonsense. . . ." Yes: but *who* tells us, and *why*? It is quite certain that those who "deluge and saturate" us with this nonsense know quite well what they are doing; it is anything but nonsense to them.

The facts of the present situation are so painfully plain that they are almost universally overlooked. On the one hand we are constantly "deluged and saturated" with fabricated falsities, particularly economic and financial falsities; on the other, Russia is occupying strategic world stations by which it will be possible to *maintain* World Government when it comes in the wake of economic breakdown and anarchy, which is the objective of the Financiers who, after all, financed the Russian Revolution, and have supported it, openly or covertly, ever since.

Bonn has made a 'deal' with Moscow. On Nov. 27 it was reported in a news broadcast that Mrs. Meir, of Israel, had said that Israel may resume peace-talks despite the advantage taken by the Soviets to improve their control over the Suez Canal during the cease-fire. Let nobody be surprised by a 'deal' between Israel and the Soviets—in the interests of World Peace, of course, and with the tacit approval of Washington. We hope Mr. Powell does not feel we are "actually deranged" for holding the view that the creation of the State of Israel was a key move in a very long-term strategy, aimed at placing armed Communism at the centre of world communications.

There is practically nothing that most of our readers can do about the present situation, except to let their Parliamentary Representatives know that they know what is going on, and attempt to force a disclosure in the House of Commons of information which Mr. Maude, for one, believes to be in the possession of the authorities. The elaborate pretence that anarchy is spontaneous; that Russia represents nothing more than a potential conventional military threat; that we are really in danger of a completely annihilating World War, after which, if they survived, the would-be World Governors would have nothing left to govern, and the productive resources of the world would be destroyed—all this must be abandoned. We are confronted with a gigantic conspiracy *for* World Government. The sole way out is to recognise that fact; rectify the defective financial system which is the chief mechanism of our disasters; and name, expose, and if possible, punish those traitors within reach.

Mr. Powell has claimed that his predictions, which caused such a furore, have come true within five months—and even that Mr. Heath is coming to agree with him. We claim that we made the predictions more than twenty-five years ago, and have been documenting them ever since.

If nothing drastic is done, it is now only a matter of time—and not much time at that—before Finance-Communist domination of the world is openly proclaimed—and enforced, with any degree of ruthlessness required. *The extermination of the middle-class*, precisely as it was carried out in Russia and Russian-dominated 'satellites', has always been, and remains, the Order of the Day for Communist revolution, whose approach in Britain, and elsewhere, is now visible to anyone who has not been brainwashed—by the 'Capitalist' press—into insensibility.

26 / 12 / 70

The American John Birch Society, like the Social Credit Secretariat, is a non-class, non-party organisation pursuing a definite policy without seeking power. That policy is: less government, more individual responsibility, and towards a better world. As the Society sees it, that policy is blocked by the existence of an international Conspiracy, including but not coextensive with the International Communist

Conspiracy: the latter is *part* of the former, but the most visible and identifiable part. The more important and almost invisible part is made up of International Finance, global cartels controlling industry and vital raw materials on an international level, and various mysterious personages referred to by the Society as INSIDERS. Some of these are known and have been exposed. What is not known is the nature and location of the inner Directorate, although both to a certain degree may be circumscribed.

The *strategy* of the Society is to remove the block. The *method* is by spreading an understanding of the Conspiracy as widely as possible, exposing such INSIDERS as can be identified and encouraging and supporting patriotism. This is a long-term strategy, and of its very nature, unspectacular. But it has been patiently and faithfully pursued now for nearly eleven years, and is supported by an extensive paid staff to provide the necessary organisation and leadership for such a sustained effort.

The near anarchy in many parts of America is beyond question the outcome of the Conspiracy. The Communists provide the *organisation* which exploits the genuine grievances which are provoked by successive Governments which, while not comprising the Conspiracy, are effectively controlled by it—in the opinion of the Social Credit Secretariat, mainly by financial means, but greatly aided by infiltration of the educational establishments from which proceed the “advisers” who are so important a part of Government.

The Society issues a monthly *Bulletin* (which is available by subscription to non-Members) and these reveal that the Society has pursued an undeviating course, despite monstrous and determined efforts to wreck the Society. And yet, conditions are obviously much worse than when the Society was founded.

But the foreword to the October *American Opinion* announces: “America is electric with a new mood. A new patriotism is fairly racing among her people . . . . It is a runaway thing—beyond the control of the media and the politicians and the professors. Well out of control. . . . Yes, our people are alive with a quickening patriotism, a renewed commitment to our land and the defence of her traditions. And, as the mood swells, America is identifying her enemies. Such enemies as those who tax millions from the people to finance guerrillas in our midst, and radicals of the Establishment Press who attack our every decency and moral value. America is at last *facing* her enemies. And, though they are far from defeated, they are no longer safe.”

They would be even less safe if the British Government would challenge the financial thrall which governs the actions of that Government, because such a challenge would force the INSIDERS into a more exposed position. As Major Douglas foresaw so long ago, the elimination of the British Empire was a major objective of the Conspiracy, because the character and institutions of the Anglo-Saxon were the great barrier to World Government. A challenge to international financial authority, combined with an exposure of the steps by which the elimination of the Empire was accomplished—the Government must have access to the vital documents of the period—might detonate American public opinion, so that the traitors in government would be forced out to be replaced by patriots. Then a determination really to use, to any extent necessary, American military supremacy would destroy the Soviet *military* threat. For it is the *pretence*—an essential component of the Conspiracy—that we are in danger of nuclear annihilation which is enabling the ‘peaceful’ penetration of Soviet forces into the key strategic areas of the world. In its *inception*, the Middle East ‘crisis’, represented to us daily as being the very brink of war, is completely phoney. It enables Moscow and Washington to join forces “to see that major war does not break out in the Middle East.” If anyone thinks that the Russians are in the Middle East to protect the Arabs against Israel, he should go back to the kindergarten and avoid government-controlled ‘education’ when he leaves it. *Israel* is in the Middle East to provide the pretext for the Soviet presence—a presence which, no doubt, will be strengthened with President Nasser’s timely death. For Moscow and Washington, together, are determined that disorder must not spread. In other words, OUTSIDERS *keep out*.

Nearly three vital years have gone down the drain since the Republic of South Africa was offered an opportunity of upsetting the timetable of this dreadful ploy; but it has gone relentlessly on. In this time we have had the buildup of Soviet naval power in the Mediterranean; the strategic deployment of Soviet forces in the heart of Europe, under cover of the ‘occupation’ of Czechoslovakia; the installation of a crypto-Communist Government in ‘West’ Germany; the signing of the Moscow-Bonn agreement, and now the

U.S.-U.S.S.R. 'understanding' concerning the Middle East.

As reported in the *Daily Telegraph*, 16 September, 1970, "Allied forces in Europe are growing weaker while Soviet military strength is increasing and 'exceeds anything the world has previously seen,' Gen. Andrew J. Goodpaster, Supreme Allied Commander in Europe, said in Dusseldorf, West Germany, yesterday." The General added: "Before our very eyes, but with all too little recognition of the consequences, a shift in the balance of security is occurring." The real question is, has the shift already gone beyond the point of redress? It probably has, and if so, only a real challenge to international financial control, through which, in general, this "shift" has been accomplished, offers any hope at all. For, the very last thing the INSIDERS want is full-scale war, which would end them, and their expectation of ultimate World Dominion, forever. The nuclear "stalemate" is the last opportunity for Britain to act independently before nuclear MONOPOLY is declared. And there, we really are on the brink.

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There appears to be something in the British character which makes Britons averse to entertaining the idea of, and even more to mentioning the word, "conspiracy". When Mr. Enoch Powell merely hinted at such a thing in the Public Service, *The Times* came close to writing him off as a madman. This aversion is probably an aspect of the Anglo-Saxon character whose great achievement was to bring about and develop the British Empire, perhaps the greatest achievement of civilisation.

With what, these days, can only be called rare courage, and no doubt springing from a sense of patriotism too evidently lacking in a great many politicians whose chief concern appears to be to rise in the Party hierarchy, Mr. Angus Maude, M.P., has contributed an article on the idea of international conspiracy to the *Sunday Express*; it was published on 20 Sept., 1970. Mr. Maude accepts, or appears to do so, the 'split' in the Communist world. "The strange blend of Mao-ism and anarchism to be found in some of the utterances of 'protest' leaders . . . and discernible also among extremist industrial militants— owes nothing at all to the conventional Leninists of the Kremlin.

"But someone, somewhere, is keeping the pot boiling, and providing a fair amount of money to support a travelling troupe of young agitators who turn up with suspicious promptness anywhere that seems ripe for trouble" . . .

"Is it not remarkable that the Palestinian guerrillas should suddenly have achieved an unprecedented feat of co-ordination and efficiency in a skyjacking operation that has convulsed the Western world and thrown the whole Middle East back into the melting pot?"

But elsewhere Mr. Maude says: "The fact remains that the disintegration of Western societies has always been an object of Communist policy". We should add that it still remains an object of International Communist policy, as a step towards replacing Western societies—a policy so successful that the Chinese-Russian 'split' was an essential strategic step to confuse the world as to the ultimate responsibility for that policy. Sir John Glubb's observation concerning "Russia's recent assumption of a dominating position in the Middle East by the use of armed forces but without firing a shot", that "The art of using diplomacy and armed strength together as a single integrated system is one requiring great skill and a high standard of technical proficiency" is entirely applicable to the "kind of pattern in the spread of violence and subversion, and particularly in the timing of outbreaks of disorder in various parts of the world", with which Mr. Maude is concerned.

If the "strange blend of Mao-ism and anarchism" owes nothing to the conventional Leninists in the Kremlin, it could only be because they have repudiated Leninism; but even this would only apply to the "blend", not the *pattern*. "Throwing the whole Middle East problem back into the melting pot" could only conceivably be to the advantage of the Arabs, who are those killed and to be killed in the slaughter. But it is Russia that has recently assumed "a dominating position in the Middle East". Student and other riots do not advantage student or coloured people or religious sects, but they may "disintegrate Western societies"; and the Communists, as organised and directed by and from the Kremlin—the operational headquarters of the "internationally organised conspiracy" are organised and ready to impose a New Order on the disintegrated

remains of the Old Order: Christian Civilisation.

We hope that Mr. Maude will read the Note beginning on page 14 of *The Moving Storm*, or even the whole of it, and *The Development of World Dominion* too. And then perhaps he would consider gathering a few informed Members of the House of Commons to enforce a debate to ensure that what he suggests should be done is done: "Is it not time that Government leaders everywhere revealed a little more of what they know or suspect? . . . If the threat is real, let us all take it seriously and be on our guard." If *all* were revealed, we might be saved. But it had better be soon.

31/10/70

4

Our own comments on the post-election situation were made in the main before the election was held, and those who file their *T.S.C.s* may refer to them. More recently we summarised the situation in the article "Life and Death" (3 Oct., 1970) which, unhappily, is not altogether a case of being wise after the event. And in 1949 Douglas observed: "There is excessive and unnecessary controversy amongst the experts on mere words. What we ought to recognise is that we are playing the game of life (or death as a nation):

*On a board untrue,  
With a twisted cue,  
And elliptical billiard-balls."*

Inflation, the obvious *proximate* cause of our dire troubles, is *not* a "roaring" beast to be fought, or halted, or 'controlled', or mastered, or 'cured'. It is a *resultant* of a system of accountancy imposed on us and enforced by "our masters", and it could be eliminated virtually overnight by modifying the accountancy—but only at the risk of war. But that is a risk as against a certainty. Any country wishing to modify its financial system, said Douglas many years ago, when monetary reform was very much in the air, should "first arm to the teeth". But the Socialists have disarmed us to the gums—unless we have independent control of our own nuclear bombs.

Well, Mr. Heath has at last made it crystal clear that he actually believes that "better management" of the same old policy will rectify the 'incompetence' of his predecessors. This is a completely erroneous diagnosis, and the application of remedies based on it is going to mean the death of the Conservative Party, and probably of the nation, as a nation; for British culture, the soul of the nation, cannot survive the abrogation of national sovereignty under the edicts of the Council "of Europe", any more than the Roman Catholic Church could survive absorption into an effectively ecumenical 'religious' body, ruled by the World Council of Churches, whose nature stands revealed in the financing of guerrillas in the name of 'humanity'.

\* \* \*

The Quebec 'Separatists' have kidnapped two political hostages. Before the body of the one murdered was found, the Federal Government assumed wartime Emergency Powers, apparently to remain in operation for six months and enabling it to undertake massive arrests and questioning and detention without due process of law; and already hundreds of arrests have been made.

Separatist movements anywhere, and turmoil everywhere, always play into the hands of, and are exploited by, Communists—as Mr. Angus Maude observed (see *T.S.C.*, 31 Oct., 1970): "The fact remains that the disintegration of Western societies has always been an object of Communist policy"; and: "But someone, somewhere, is keeping the pot boiling, and providing a fair amount of money to support a travelling troupe of young agitators who turn up with suspicious promptness anywhere that seems ripe for trouble."

Students, Arabs, separatists, "the workers", *etc.*, have genuine enough grievances; but their exploiting requires skilled organisation, training, and often very considerable funds. The Communists have all these. And where a Government is sufficiently infiltrated by 'respectable' Communists, rioting and disorder provide the pretext for the exercise of "strong" government; and this is the classic method of the Communist



takeover of a country. It is the method which is visibly being applied in the U.S.A., but as world disorder increases, it is liable to happen anywhere.

Some considerable time ago we republished in these pages evidence of Mr. Trudeau's Communist background; he is not known, by us anyway, to have repudiated his former beliefs and actions. And Canada is the country where a Royal Commission (1946) established "the facts relating to and circumstances surrounding the communication *by public officials and other persons in positions of trust of secret and confidential information* to Agents of a foreign Power" (emphasis added).

The situation in Quebec, and in many parts of the U.S.A., and other areas of the world, may well be considered in the light of a concise and well-written booklet\* concerning the troubles in Ulster, and of the implication of the Wilson Government, and Mr. Callaghan, therein. It quotes Mr. Desmond Boal, M.P.: that "a more sober appraisal of the Home Secretary's visit would show that lawlessness has been made respectable and sedition profitable". And it should be noted that the 'permissive' society is not in accord with British character or tradition.

\**"To Be or Not To Be, That is the Question . . ."* For Ulster by Clifford Smyth: Published by West Ulster Unionist Council. Pp. 12. See also *Theory of Subversive Action* by Roger Cosyns-Verhaegen: K.R.P. Publications.

We fear that Mr. Heath is a "gone coon"; but are there no patriots in the British House of Commons who will force a debate on the role of the Conspiracy in the world's troubles?

14/11/70

## 5

Writing in the *Illustrated London News* (Nov. 15, 1969) Sir Arthur Bryant remarks : "And out of this testament of a casual onlooker, who has happened also by profession to be a historian, arises the unanswerable question, how can we hope to fulfil ourselves, either as individuals or a people, if we ignore our past; if we grow careless of our character and identity; if we lose all pride in patriotism, if we do not combat the erosion of our freedoms, if we repudiate the faith which has been the mainspring of our civilisation for a thousand years?"

But what if "our" educational system has been perverted to falsify the records of our past; if our character and identity has been swamped by a carefully promoted alien influx (not all of it coloured); if patriotism is officially subordinated to internationalism and disarmament and economic unity at the behest of alien doctrines; if faith is being undermined by its Ministers in the pursuit of permissiveness?

27/12/69

## 6

The following is a "Week to Week" note from our issue of 4 April, 1959:—

It is a widely held belief that because of the enormous expansion of knowledge, particularly in recent times, "we" know more than our ancestors. But by far the greater part of what is known is quite inaccessible to any individual—firstly because even a lifetime of study could not encompass the field of knowledge, and secondly because the individual's memory is limited. There is nothing to suggest that modern man can know more than ancient man, except in so far as the technique of acquiring knowledge has improved. The content of contemporary knowledge is generally very different from that of ancient times: it is more technical, and in many cases, almost exclusively so. Indeed for the majority in industrialised communities, what they know is what is necessary for them to know to be "gainfully employed", and little else.

Apart from this technical, "employable", knowledge, we might class knowledge in a very broad way as a man's knowledge of his experience. The fullness of experience must be independent of historical time. What did Shakespeare, Plato, the Buddha experience? Perhaps the answer is best expressed as intensity, as opposed to extensity: profundity, as opposed to superficiality. The profound can be discovered and experienced today in works of ancient time or of any time.

Modern knowledge is a collective attribute, and it is one part of the cultural heritage; its real importance to the individual is the importance of the field to the flower. To view it otherwise, as if it were a matter in which the individual should take pride, is to fall victim to the hypnosis of collectivism.

24/1/70

7

If Socialists had coloured skin, ranging from slight pink to marked red according to the depth and consciousness of their convictions, it would be possible to see the nature and extent of our predicament. Their geographical distribution in schools, universities, the press, the Churches, the Parties and, above all, the bureaucracies would be evident to the eye. Their spread into and proliferation in all these areas has been an accomplishment of time—but in accord with plan: the London School of Economics was endowed by Sir Ernest Cassel “to train the bureaucracy which will run our future Socialist State”. That was in the beginning; in the course of more than half a century the original trainees permeated other training establishments, until the basic tenets of collectivism, materialism and socialism were taught even in the lower grades of the ‘educational’ establishment, under the guise of Social Studies, with the conviction which formerly inhered in religion.

“The education of the younger generation is a most important task for the Party and State, for our entire socialist society. Especial attention is devoted to ideological and political training, to the well-rounded development of our boys and girls . . .

“. . . The process of forming the ideological conviction of youth does not proceed spontaneously, but requires qualified, daily and active leadership.”\*

\*S. Pavlov, “The Ideological Conviction of Youth”, *Pravda*, Aug. 29, 1965: quoted by Richard V. Allen, *Peace or Peaceful Coexistence?*

This process, explicit in countries with openly Communist governments, but implicit in ‘democracies’, has insidiously replaced the tenets of a fundamentally Christian civilisation: Man is born, not for what he might become in the sight of God, but to be fit for Full Employment. In relation to what is physically possible—abundant leisure and gracious art—the industrial system has become a vast prison, where human beings are less free than the wild beasts. No wonder there is student ‘unrest’, which, exploited though it is to abolish what remains of free enterprise, is thoroughly justified by the results of a perverted educational system.

So much is Full Employment now taken for granted as the object of Man’s existence that hardly anyone notices that the greater part of employment is completely futile; so far from contributing to the standard of living, it impedes the progress of the transfer of necessary work from men to machines. The whole of the taxation system in its present form could be abolished; and since all those employed in it contribute nothing to the production of what they consume they could clearly be paid what they are paid at present without its making any difference to the rest of the community. But if all who could be were disemployed and given their leisure (in the long run, leisure should be distributed) they might become, from the point of view of Government, ungovernable; and Government—power over others—is the insatiable ambition of a portion of mankind.

The present situation is obviously explosively unstable, and can have only one of three possible outcomes: either it will drive the world to destruction from which regeneration might or might not be possible; or an invincible World Government will maintain its rule by force and terror (physical and/or psychological); or an economic system, correctly related to the technological realities of the Age, will distribute the leisure which is the true dividend of industrialisation. But if that last possibility is to be realised, those who stand in its way will have to be dealt with—and drastically, seeing the ruin they have already caused.

22/3/69

## *Incompetence or Treason?*

### 1

Mr. Wilson is a child of the Fabian Socialist Society, the chief 'British' protagonist of a 'new civilisation' to replace what it regards as the obsolescent Graeco-Roman Christian civilisation under which European culture was spread throughout the world. Just as Mr. Eden accepted a devastating European war as a necessary step towards a New Civilisation, so the Wilson Administration accepts the horrors of Communism's advance as the "wave of the future". It is Russian war material which sustains the war in Vietnam, but it is Wilson's policy to trade with Russia.

Militarily, the threat to Britain is so palpable that the accelerating British disarmament in the face of it can only mean that Wilson and Co. have inner knowledge that there will not be war, and contemplate surrender of British sovereignty (for which millions of British youths gave their lives in good faith) to International Socialism.

If this is what the British want, they will certainly get it. If they do not want it, they must realise that Mr. Wilson holds the position of responsibility. What he is doing "passes all possibility of mere stupidity or incompetence". Is he to be allowed to get away with it?

Gone are the days when it was sufficient to blame a defective monetary system for our troubles. It is *persistence* in a policy, of which a defective monetary system is a component, which constitutes the crime, and calls for punishment.

Only that, with its attendant exposure and publicity, offers any remaining hope.

5/4/69

### 2

No matter with what logic Douglas developed his economic and political ideas, his fundamental appeal was to a sense of Reality. Thus, quite apart from any theories, he could *see* that, in its capacity to produce goods and services, Great Britain was richer in 1918 than she had been in 1914. But the official word was that Great Britain was poorer, because of the necessity to "pay for the war". This lie was repeated even more emphatically in 1945, despite the fact that the fantastic development of electronic and other techniques had led to an enormously increased potential productivity.

In a speech to Young Tories at a conference in Eastbourne (reported, so far as we know, only in the *Sunday Express*, March 3, 1969) Mr. Enoch Powell said: "We have lost touch with reality, we have gone mad . . . We have got to unravel that falsity and that betrayal." The betrayal consists in having driven the British mad, so that they accept as the very end of living the accumulation of figures in books to avoid an "adverse balance of payments"—a book-keeping objective.

Correlli Barnett in an article on the British Government's White Paper on Defence (*Sunday Telegraph*, Feb. 23, 1969) remarks that "Mr. Healey's certainties expose us to disaster"—a reality which is now so evident that any further analysis of the existing strategic situation is superfluous. So we have a mad people exposed to disaster.

Writing of the war in Nigeria, the *Spectator* says, "Indeed, lies, deception and broken promises have been the common currency of ministers and their apologists throughout".

So we now have public statements that the British people have been driven mad—i.e., that they have lost touch with Reality—and, under an Administration of traitors and liars, are exposed to disaster. That is a much more realistic assessment of the situation than that commonly put about, that the Administration is merely incompetent. In fact, the present Administration is the agent of the British people's deadliest and most 'competent' enemies, and only a conscious challenge to those enemies holds out any hope at all. The question is, of course, whether such a challenge would be met with military sanctions. Quite possibly not, considering the threat to the enemy posed by nuclear weapons. What is certain is that if the challenge is not

made, the British as a people face extinction, whereas a challenge based on Reality carries Christ's promise, "The Truth shall make you free".

The way to make the challenge is to bring Mr. Wilson to account. If the Tories would adopt that as their policy, instead of their present fatuous one of asserting that by carrying forward more 'competent' policies, which *events* have demonstrated to be suicidal, they can save the day, there would be a glimmer of hope. This would open the way to realistic economic policies with say Australia, Canada (if that country can get rid of its traitors) and New Zealand. Within that diminished community are the raw materials and industrial techniques for unlimited prosperity. The alternative is One World under the unlimited tyranny of World Government, towards which the Fabians are accelerating us.

19/4/69

### 3

Immediately on the conclusion of the 1939-45 war, Great Britain commenced to lose the peace. Preliminary steps in this direction were, of course, taken during the war, but their effect became manifest in the pursuit of post-war policy. By 1947 C. H. Douglas was driven to remark in these pages: "A liberal estimate of the electorate of Great Britain at this time who have even an approximate idea of what is being prepared for them, *whether they vote Labour, Socialist, Communist or Conservative under present electoral conditions*, would be one-half of one *per cent*. There is one policy which can be effectively pursued in this country without constitutional reform of the most drastic nature, and that this is so is proved by the fact that only one policy *has* been pursued since 1906, no matter what party has nominally administered it . . . The policy is that of the Slave State and Factory Ghetto, of which Mr. Harold Macmillan (was) so strong a supporter." (*T.S.C.*, June 7, 1947.)

*Treason* is defined as violation by subject of allegiance to sovereign; . . . breach of faith, disloyalty. On this basis, the attempt to enter the Common Market, *and adhere to the Treaty of Rome*, is treason. The run-down of British defences, and the destruction of the home defences, is a breach of faith—the first duty of a government is to provide for the defence of the people it represents. Adhering to international financial arrangements which are patently strangling Britain is adhering to the sovereign's enemies.

Those of our readers who claim that they cannot understand economics should understand this much. Current economic *theory* is simply an elaborate and mystifying disguise for the Slave State and Factory Ghetto *policy*, which is dictated, with the collusion of the Socialists, from international sources, the most important of which are, for the present, in New York and Washington. Remember Woodrow Wilson's words: "England and France have not the same views with regard to peace that we have, by any means. When the war is over, *we can force them to our way of thinking*, because by that time they will, among other things, be *financially in our hands*."\* (Emphasis added).

\*See *The Moving Storm*, p. 114

Woodrow Wilson was dominated and manipulated by Colonel E. M. House, who was deeply involved in international conspiracy\*. Now obviously having England "financially in our hands" does not have an ordinary financial meaning; it means being in a position to force England to pursue policies not in her own interest, and that is really all the economics it is necessary to know. However, it ought to be plain enough that if it did have a purely financial meaning—the repaying of war debts—this could only be effected by enormous exports of goods but, of course, industrialised countries do not want the goods, and the non-industrialised countries cannot pay for them on a sufficient scale.

\*See *Fabian Freeway*; also *The Actor*.

Thus clearly Britain is faced with an impossible task, *whatever Government is in office*. This situation is being exploited to force Britain into the Common Market, and this means the abrogation of British sovereignty. Internationalists are in favour of this; but, by definition, they are traitors. If they accomplish such abrogation by secrecy and deception, they are conspirators—and should be recognised as such.

The economic arguments for joining the Community are, of course, deception—and nonsensical

economically. What would happen to British debts? Is it thought they would vanish? Who is going to be the market for all the sophisticated goods the “modern, efficient” Community is going to produce? Japan? Russia? The U.S.A.? China?

The Big Idea, of course, is to universalise the Slave State and Factory Ghetto, and to pour the resources of the ‘developed’ areas into the ‘underdeveloped’; and in this project the key institution is the World Bank and International Monetary Fund. The British, *as* British, were, and to a limited extent still are, an impediment to what Medford Evans calls “homogenisation of Man”—the slave population of the projected One World. And with Douglas, “we do not believe that the great majority of those who are doing nicely, if temporarily, out of the distribution of stolen goods (which is what confiscatory taxation amounts to) are unconscious agents. They may disclaim responsibility tacitly if not vocally for any hand in policy. It won’t do: and the first step to a healthier country is to make it evident that it won’t do.” But of course, Wilson & Co., no longer disclaim responsibility; they continue their ignominious efforts to surrender British sovereignty.

We take it that subscribers to this journal remain patriotic, and we suggest that they make known to their Representatives in Parliament that they are aware of what is going on: that it is treason; and that it calls for impeachment. After all, probably only Abe Fortas’s resignation saved *him* from impeachment, merely for having received fees from a financial foundation guilty of fraud. What is really happening to Britain must be made a public issue.

\* \* \*

An Opinion Research Centre poll (*Sunday Times*, May 25, 1969) shows 27 per cent of those polled as thinking Mr. Harold Wilson dishonest—a little more than one in four. Eighty-seven per cent consider him intelligent and 42 per cent likeable.

Dishonesty of intent is a far more likely explanation of Mr. Wilson’s ‘failures’ than incompetence, which would imply lack of intelligence. The most likely explanation is that Wilson knows all about the scheme for World Government, and approves—furthered by his policies—its advance. He announced in Parliament (Nov. 23, 1964) that “A defence policy which does not contain within itself the seeds of further progress towards disarmament is one which in the present state of the world we can no longer regard as appropriate”. He has boasted that “a thousand years of English history went out of the window” between 1945 and 1951. He has been—may be still—a Vice-Chairman of the Socialist International.

British bankruptcy suits Socialist purposes, by, amongst other things, providing a pretext for disarmament on grounds of economy; but national armaments stand in the way of World Government which, for Fabians, “is the final objective” (Labour Party Manifesto, 1964). And bankruptcy has the further advantage that should the Conservative Party come to power, *they* will inherit the bankruptcy, and be under the orders of the World Bank which, of course, is the prime promoter of disarmament in favour of World Government.

So we can only hope that the number of those who recognise the nature of Wilson’s dishonesty grows to a point where they will demand that something be done before it is utterly and finally too late.

28/6/69

## *Part II*

### *Realistic Economics*

#### 1

#### THE ECONOMICS OF DISASTER

The following notes by C. H. Douglas were reprinted in *The Social Crediter*, 3 October, 1970:—

We almost feel that we ought to apologise for recalling to our readers that “exports” from this country (Britain) are mainly imports more or less processed, and then re-exported. The obvious result of this elementary fact is that an increase in exports of 75 *percent*, which we are now told must be attained if we are to live at all, *means that we must import and pay for, as well as transport, free, all the raw material of these exports which is not indigenous, before we have a penny to spend on either maintaining our plant or raising our standard of living. And our competitors have only to put down prices in the competitive market for ten years, to ruin us permanently.*

(December, 1945)

(It was this situation which led to the devaluations of sterling, making matters even worse.—Ed., T.S.C.)

\* \* \*

Adjusted to the purchasing power of the gold sovereign and the wage standards of 1890, we have probably exported *at a total loss*, i.e. *thrown away both without thanks and at the risk of international complications, not less than Ten Thousand Million Pounds' worth of production in the last sixty years.* The amount may easily be greater; it certainly is not less. Not one penny's worth of that production has gone to raise the standard of living of this country. Up to the present, we have spent on this war about twenty-five thousand million pounds, which is rather more than the estimate of the whole capital assets of Great Britain before the war. In the 1914-18 phase of the conflict, we probably spent one quarter as much; but in neither of these cases is it easy to say what was the total capital loss, if the greatest item of all, human wastage, is given a monetary figure, which is, no doubt, what our dialectical materialists would consider proper.

. . . The flat contradictions of the existing British policy are not foolishness; they are, for the first time, open and undisguised efforts to secure the final triumph of the World Domination which has been the covert purpose of every major historical event since the French Revolution, and probably for many centuries before that.

(February, 1946)

\* \* \*

We think it is high time that some Member of the House of Commons of, say, the character and type of Mr. W. J. Brown . . . should take up seriously, and push through to an exposure, the nature of the book-keeping which appears to accompany the liquidation of the British Empire.

To take the Indian sub-continent as an example, *Great Britain* has developed over 43,000 miles of railways with stations, bridges, administrative offices, and auxiliary works; provided irrigation works for 27 million acres of otherwise nearly useless land; developed first-class harbours at Karachi, Bombay, Madras and Calcutta; built some of the world's greatest bridges and trunk roads; developed modern power systems, hydroelectric and otherwise; transformed the great Presidency cities from slums into sanitary, attractive, well-built settlements, traversed by wide tree-shaded boulevards; built public and business administrative offices unexcelled anywhere; rescued the forests from almost complete destruction and so checked soil erosion—to put the matter shortly, transformed a sub-continent.

Not merely has this been to the immense advantage of the indigenous inhabitants, but (until it was discovered that we were so imbecile that we would allow any amount of mud to be thrown at us, and believe we deserved it) the performance was the envy of the whole world, and has never been approached by any other country, European, Asiatic, or American.

We now evacuate the scene of 150 years' intensive and successful effort, not merely under a stream of abuse from the sob-sisters of the Middle West (with whom we have a 'special relationship'—*Ed.*) and the aliens of Leeds, Bedford, the London School of Economics, and Chicago, but we appear to owe "India" £1,500,000,000. In other words, we have worked *for nothing on three years' total exports of the United Kingdom at 1936 levels, for the benefit of "India" alone, without paying for a single pound of imports from India or anywhere else*, before we have liquidated the balance of money cost *to us* of 150 years of Indian development.

The same tale meets us at every turn—Burma, the Argentine, China. Alone amongst the "victorious nations" we stagger under impossible tasks; and we work without pay, subject to contempt and in two years bereft of even prestige. Either our negotiators are traitors or they are so incompetent that they are not fitted to manage the traditional wheel stall.

We need clear information of every international transaction from the agreement made by Isaacs in Washington in 1917 (probably the basic agreement) accompanied by balance sheets of the assets transferred, together with the replacement values at present price levels. Unless we are very much mistaken the British public is being subjected to a "steal" which leaves any previous steal in history on the level of petty larceny. All the tentative experiments in procurers can probably be identified in the oil and railway rackets of the Rockefeller-Vanderbilt era.

(March, 1948)

(Are our negotiators to "get us in" to the Common Market a cut above those former negotiators, or is it merely the same racket carried to its logical conclusion? You pay, but thanks to the collusion of the Parties, you have no choice.—*Ed., T.S.C.*)

## 2

In the bad old days of the Great Depression—how long ago that now seems!—the Douglas theorem, generally known as the A + B Theorem, showing how the economic system necessarily entailed a progressive shortage of purchasing-power; and its corollary, a National Dividend and scientifically reduced prices of goods to consumers, seemed to offer new hope to millions suffering "starvation in the midst of plenty". The 'Theorem' became partially distorted into such forms as cries for "debt-free money" and "interest-free debt", whereas cancellation of "money" at an *appropriate* rate is the essence of a workable money system in the industrial era, and it is interest on bank-created debt which forms the almost exclusive basis of the expansion of the medium of exchange necessary for the distribution of an increasing supply of consumers' goods—*insofar* as the interest is distributed to shareholders of the banks, who introduce it into general circulation.

In its expanded (in the mathematical sense) form the A + B theorem states: in order to ensure the distribution of a given quantity of consumers' goods, it is necessary under present conditions to *accelerate* the production of capital goods. The recognition of this by J. M. Keynes (or he may have been the ghost-writer for others) and its dressing up in elaborate economic jargon brought about the virtual slaughter of the Social Credit idea, for he showed how to maintain the *centralisation* of credit control, whereas the Social Credit idea was the *distribution* of credit, thereby achieving *economic* democracy, a far more important concept *to the individual* than *political* democracy, which in its ballot-box form is a well-nigh perfect smoke-screen for autocracy. Under cover of an uninformed or misinformed majority (witness the United Nations) a strategically-minded minority can formulate and implement its own 'mandate'.

However, the A + B theorem has taken on new life—not in its name but in its manifestation. Its essence lay in the need, as things were (and have remained: they need not have), for *accelerating* capital production—production which distributed incomes, but which did not come on to the consumer market

(production for export comes into this category). The trouble is that internal capital production tends towards a limit, while as the world becomes industrialised the market for exports shrinks. Economically, there is no sense in Britain 'trading' motor vehicles with America or Germany; it merely adds on freight charges and, usually, tariffs; and in the case of Britain, imposes the necessity of importing certain raw materials in which Britain is singularly deficient, but which must be paid for in "foreign exchange". Of course, "aid to underdeveloped countries" has a long future; but such countries have not the money to meet the British shortage of purchasing-power. There is much more to be said along these lines, but this is not the place to say it. There is a more fundamental problem involved.

Every expansion of industrial capacity increases the "B" element in prices—i.e., the element representing payments made to individuals at some indefinite period in the past, and for the most part *spent at that time*, but accounted *forward* into the price of an article when it reaches the *consumer* market. This is the fundamental cause of "cost-inflation"; for even if willing to forgo "profit", no manufacturer is able to sell at a loss except temporarily out of "reserves" to maintain production and retain a market during a short period of crisis. During the Great Depression, many simply went bankrupt, allowing their assets to be acquired by others dirt cheap.

On the other hand, this 'natural' increase in prices leads to demands for higher wages which in the aggregate already being greatly in excess of profits, necessarily leads to "wage-cost" inflation. Again, much more could be said.

Inflation, thus, is a built-in feature of the economy. Its rate of increase can be slowed by a *genuine* increase in productivity; but this is inhibited by high taxation imposed, it is said, to 'curb' inflation, or otherwise to cool the over-heated economy (!) In any case, say the 'economists', a 'moderate' degree of inflation is 'healthy', so long as it does not outstrip the rate in other countries, when it becomes bad for trade, meaning that it results in an unfavourable "balance of payments". This is particularly serious for Britain, which has to import (pay for) thousands of millions of pounds' worth of imports of raw materials to manufacture the goods she exports, as well as many thousands of millions more to manufacture the goods she must sell abroad merely to repay international indebtedness. So if inflation in Britain outstrips that in "the rest of the world" thus causing a "run on sterling", then sterling has to be "devalued", which means, of course, that Britain has to import *more* raw materials at a higher cost in order to export *more* goods to obtain the same amount of "foreign exchange".

This short incursion into fundamental economics (we were about to say "basic", but this is too reminiscent of Basic English) is a necessary prelude to some remarks on Mr. Barber's "New Budget"—the long awaited economic pronouncement of Mr. Heath's "Efficiency Management" Government. Of course, the pundits have fallen on it with explanations and exclamations of delight and dismay, according to the colour of their political indoctrination. Briefly, the proposals seem to be a reduction of taxation (sixpence in the pound) on the one hand, and an increase of prices on the other (reduction of food subsidies)—an increase affecting the whole community, and a stepping-stone to a "new round of inflation". The workers, whose justified discontents are organised by agents, conscious or otherwise, of Britain's bitterest enemies, are expected to exercise 'restraint': but, of course, the nationalised industries and the Post Office must put up the prices of their commodities "to meet increasing costs". But not the profiteering private manufacturers.

Well, one way and another, we can only think of the innocent young girl with the swollen belly, who thought that if she rubbed it with vanishing cream, her troubles would go away. But *she* probably survived the treatment.

As for entering the Common Market, Mr. Heath appears to think that from within, Britain may be able to 'lead' a Unified Europe. Adolf Hitler thought so too. And the Soviets seem— with good reason—to be sure of their ability. With due regard for Mr. Heath, we are reminded of the story of the young lady of Riga who went for a ride on a tiger.



It took mankind thousands of years to get beyond the geocentric view of the universe; and when the heliocentric view of planetary motion was first clearly formulated by Galileo ecclesiastical authority forced him to recant. The new view prevailed, however, because it accorded more fully with the ever more refined observations made possible by the invention of the telescope. This change of view marks perhaps the most significant turning-point in mankind's history. From it stems modern science and modern mathematics which, with the invention of the steam engine, are the foundations of the industrial revolution.

The prevailing view of the monetary system is closely analogous to the geocentric view of the universe. Industry is treated as if its prime purpose were to produce financial results, so that economic theory bears much the same relation to economic reality as astrology bears to astronomy, with 'monetary authorities' playing the part of the Inquisition. The very vocabulary of 'economics', used by 'statesmen' and economists alike, is reminiscent of the language of mythology—indeed, *is* mythological, being based for public consumption on the myth that money is a commodity. What are such terms as "overheating", "credit squeeze", "anaemic balance of payments", "crisis package" and so on doing in an alleged 'science' of economics?\*

\*See *REDuctio Ad Absurdum*, T.S.C. Feb. 24, 1968; *The Art of the Possible*.

The importance of all this lies in the *preservation* of the myth. It was not necessary for the advance of astronomy that the public at large should become astronomers; it *was* necessary that public opinion should cease to support the theory of geocentricity. The current economic myth, based on the popular belief in money as a commodity, is that industry exists to produce goods to compete in the world's markets, the reward for successful competition being the acquisition of the world's most valuable commodity, 'money'. But 'money' is at the very least ninety *per cent* book-keeping—a fact which is covertly acknowledged in the proposal to institute "paper gold"—a mythological term to conceal the fact that "drawing rights" on paper gold is merely the provision of international overdrafts: the creation of 'money' out of nothing.

The prime concern of the industry of any country should be to provide the *home* market with the goods it requires with the minimum of effort and inconvenience to consumers who, in their other aspect, are workers. To this end, international trade should be considered as a facility; what cannot be produced internally either at all, or without disproportionate expenditure of energy, must be imported. Thus international trade becomes a mutually beneficial exchange of *relative* surpluses, instead of an irrational end in itself.

A grasp of these fundamental realities should be sufficient to judge the qualifications of politicians claiming the ability to 'manage' the economy. Manage to what end? To pile up figures in international account-books, or to provide the inducement for the community to engage in co-operative industry—to obtain the goods and services it requires with the minimum human effort? And the first step in the latter direction is to demand that an incentive taxation system be substituted for the present disincentive system.

18/10/69

To judge by their qualifications outside politics, a number of Members of the British House of Commons must be presumed to be of superior intelligence, so that their own alleged inability to understand, for example, 'economics' must spring from a reluctance to recognise the implications of quite obvious facts of observation. It is quite beyond question that *all* major industrialised countries are growing richer every day, if richness is defined as the ability to produce goods and services with diminishing human effort. This is the inescapable consequence of the continuous harnessing of non-human energy to the purposes of production; it is a fact that the introduction of one horse-power-hour of mechanical energy can, under favourable circumstances, displace ten man-hours or, conversely, multiply production proportionately.\* A visual demonstration of this fundamental fact is provided, for example, in the conversion of a war-ravaged Germany to a leading industrial power in less than a generation.

\*If the ten saved man-hours install another H.P.-hour, the process accelerates.

Now Great Britain gave birth to the industrial revolution, and since its inception has exported thousands of millions of pounds worth of goods *in excess of imports*; if the production ‘given away’ in the two world wars is included, the sum amounts to hundreds of thousands of millions. Disregarding the book-keeping of these transactions, they are a physical measure of Britain’s innate productivity—a productivity which was enhanced, not diminished, by the wars. Quite evidently, the fact that this immense productivity is not at the service of the *British* people must be due to factors lying outside the sphere of productivity; that is, they are political, not economic, factors.

There are, in the main, two inducements to production, either individual or industrial: the psychological—the expression of the creative impulse—and the financial. The former leads to that continuous improvement of process with its continuous tendency to displace man power; the latter lies outside the sphere of production altogether and inside the sphere of book-keeping and law. It is clearly in this latter sphere that the *apparent* failure of British productivity lies.

For a long time now, the British psychological inducement to production has been subordinated to the terms on which the financial inducement is made available. These are that exports must continuously *exceed* imports, the difference being represented by the importation of money to buy a proportion of total production for home consumption. And the question which our hypothetically above-average politicians seem reluctant to face is: Who imposes those terms?

In short, industry does not exist *primarily* to make a financial profit; it exists primarily to make goods more readily available—that is to say, with a lesser expenditure of human energy—to the people who make them (not, of course, ‘the workers’ exclusively, but the community with its heritage of industrial ‘know-how’). This basic objective has been overlaid and distorted by *political* objectives, for the most part with internationalist origins. The results are what we see, a prosperous defeated Germany and Japan, and a victorious ‘sick’ Britain. Mismanagement? Well, yes; *deliberate* mismanagement for ulterior purposes. It is not a change of management which is required, but a *reversal of policy*; and this involves something quite literally equivalent to a change of religious conviction: Full Employment and *practical* Christianity are incompatibles which is concisely why the world is given over to Satanism.

4/10/69

## 5

The purely economic aspect of Social Credit is really quite elementary, and rests on the fundamental proposition that industrial output is proportional to applied energy and the availability of raw materials. In the early days of the modern development of physical theory, a mysterious entity, having completely contradictory qualities, was postulated as necessary, and even treated as real, to explain the transmission of light through space. It was named the aether. One of the most exact experiments ever devised demonstrated conclusively that it did not exist. Mathematicians soon devised formula: which explained the propagation of light, and even predicted its speed, without any reference to the aether. Orthodox economic theory attributes to money much the same sort of contradictory properties as physicists once attributed to aether; but of course, money does exist. The point is that money is not properly a component of basic economics; its field lies in the realm of politics. Money fundamentally is a *claim* on *potential* production; and politics is concerned with channelling those claims.

Thus the purely economic content of Douglas’s writings is quite limited, and his major contribution was to the theory and practice of politics. He rapidly arrived at the conclusion that ballot-box democracy was the perfect swindle by which identical policies—mainly of centralisation—were presented to the electorate under the guise of alternative methods. Although his original economic proposals received some publicity, his political views to which his economic ideas were quite subordinate were completely censored by the mass media.

But the matter is on the public agenda at last, in the form of an article entitled “The Tyranny Called ‘Freedom’ ” by Anthony Lejeune in the *Daily Telegraph Magazine*, Sept. 26, 1969. Mr. Lejeune makes

many, but not all of the points Douglas has made, and in particular he seems not to see the design behind the tumult. But he exposes the chief logical fallacies of ballot-box democracy, including the disfranchisement of the electorate when the major parties have the same policy, and he recognises that democracy is not a way of making right decisions, nor is it the same thing as social egalitarianism. Having defined democracy thus negatively, he says what there is to be said for it positively:

“It is ... a method of choosing and changing rulers without violence: and in certain circumstances, it may be the fairest way of making a decision. These circumstances are, among others, that there should be some real need for a universally enforced decision; that all the voters have a more or less equal grasp of the problem; that they are reasonably homogeneous and not divided into permanent and conflicting interest-groups; and that they will all be affected to a more or less equal extent by the decision.

“When these circumstances do not apply, a majority decision is merely mob rule in respectable dress, the legalised oppression of one group by another.”

This is almost precisely what Douglas has said, but the probability is that Mr. Lejeune has arrived at his specification independently: and if this is the case, it bears witness to an underlying reality as opposed to a bit of mere political theory.

Douglas made a number of proposals to mitigate the evils of ballot-box democracy, including the open recorded electoral vote and secret Parliamentary vote; but in 1950 he wrote: “There can be no greater practical mistake at the present time than to suppose that Social Crediters can usefully engage in what Lord Keynes called Essays in Persuasion directed to the conversion of conscious opponents. The die is cast; whether the phrase ‘the war between Christ and anti-Christ’ is taken to be symbolical or literal, one side must win . . . our task is *not to capture politics*, but to fragment them.”

Nineteen years later, the situation is incomparably graver, and more difficult to deal with. We still believe that a fragmentation bomb, in the form of the indictment of Mr. Wilson, is the last remaining hope.

The continuous accusations of stupidity and incompetence levelled against the Wilson Cabinet have probably done more than any other factor, except perhaps apathy and despair, to preserve the Socialist Government from some form of revolution. Mr. Wilson is himself a certificated economist, and is generally credited as being clever, and sometimes brilliant. The Labour Party is not *sui generis*, but an off-shoot of the Fabian Society, with its Research Bureau facilities. The policy document is a statement of intent, not a confession of ignorance. The Fabian Society envisages Communism—a State, preferably or eventually a World State, of workers and managers, achieved by ‘peaceful’ and piece-meal means; and it has very nearly finally accomplished this aim. The greatest threat to its accomplishment has always been private independent incomes; and it appears the time is now judged to have arrived to abolish them by decree.

The real alternative to Socialism’s proposals is the *universalisation* of dividends, which is an absolutely proper accounting of the nation’s accumulation of *real* capital over the centuries. The individual shareholder has always been insignificant in industrial management which, in any case, is a matter for industrial experts.

Mr. Lejeune correctly identifies the main objective of society as freedom of the individual; and it is to this that Socialism is implacably opposed. In 1919 (*Economic Democracy*) Douglas pointed out that the basis of freedom is *economic*; and, much later, that political democracy without economic democracy is dynamite. The destruction of economic democracy, and the permanent enthronement of a system of rewards and punishments masquerading as Full Employment, is precisely the objective of political ballot-box democracy.

1/11/69

# ***Proposals for Preventing Inflation Without Industrial Strife***

1

## **SOUTHERN AFRICA AND THE WORLD CRISIS**

*The following, originally completely confidential, appreciation addressed to the Prime Minister of the Republic of South Africa was forwarded via the Embassy in Australia some eighteen months ago. No acknowledgement has been received nor is there any evidence that South Africa is following anything but an orthodox policy. Because of the great problems of expansion and development Keynesian economics are still practicable in South Africa, whereas they are visibly breaking down in such fully developed countries as Britain and the U.S.A. The evidence is that these policies, basically unsound, are persisted in to the point of economic breakdown when a World Remedy under the auspices of a World Government—Communist or otherwise—can be imposed. In the meantime, Southern Africa is being politically isolated.*

### **I. POST-WAR DEVELOPMENT**

At the conclusion of the 1939-45 war, with Germany and Japan decisively defeated, world power was shared between the U.S.A., Britain, France and the USSR—the so-called Big Four. The U.S.A., however, with its immense mobilisation of both manpower and resources, its invulnerability, its logistical ability, and its exclusive possession of the atom bomb, was by far the leading world Power, and could have imposed on the world a *Pax Americana* of either a military or benevolent nature.

Twenty-two years later the world is confronted with two so-called Super-Powers in apparent confrontation but which, if they came to agreement, could impose an impregnable World Government over the whole globe. The USSR, however, has *always* maintained that its objective is a totally socialist world, and it means by this a fully centralised world government managing the economy of the world as a whole, and able and intending to enforce its writ and to put down rebellion against policies which would inevitably run counter to national aspirations. Thus the immense productivity of the U.S.A. and other highly industrialised countries would be dispersed in pursuit of planned global reorganisation.

National groupings, however, under suitable conditions throughout history have striven for separate development, resulting in the development over the centuries of highly distinctive cultures and, consciousness, in individuals who contact differing cultures, of a feeling of national identity. Thus the movement towards total world government is contrary to the historic development towards differentiation—a situation which requires the use of force, or the credible threat of the use of sufficient force, to stamp out national aspirations.

Yet in the past twenty-two years immense and visible progress towards world government has been made. The early postwar years saw an immense expansion of Communist domination geographically in the face of American demobilisation. But progressively also there has been the destruction of national economies and institutions by subversion; and the promotion of decolonisation has practically everywhere set back severely both economic development and progress towards civilisation.

One would think that the fruits of these years would bring into question the validity of the policies pursued. But in fact one finds that the U.S.A. has in every important instance supported Communist objectives by its actions, whatever verbal confrontations have been indulged in. Currently, though fighting Communist controlled Vietnamese in Vietnam, the U.S.A. is supplying the USSR with critical materials, though unquestionably aware that the war could not be sustained for a week without massive Russian supplies and technical assistance to North Vietnam. The American involvement in Vietnam in such circumstances undoubtedly furthers Communist purposes.

Similarly, after a period of denying that Russian missiles were being deployed in Cuba, the U.S.A. Administration acknowledged their presence. The outcome of the subsequent 'crisis' was an American

undertaking not to invade Cuba, and to withdraw American missiles from Turkey. Since then it has been repeatedly reported that Russia has built Cuba into a virtually impregnable fortress, stocked with missiles and provided with huge underground storage facilities and underground tunnels suitable for aircraft takeoffs.

There are many other instances where U.S.A. actions and pressures belie words and ostensible positions. The main ostensible U.S. position has been the “containment” of Communism; but in fact the whole postwar period has seen the continuous expansion of Communism. This can be explained only by the incompetence of those in control of U.S. foreign policy, or by their complicity in a strategy designed to secure World Government.

## II. THE STRATEGIC SITUATION

In 1904 the English geographer Halford Mackinder enunciated the theory of geo-politics which was adopted and developed by the German General Staff. In this theory the Eurasian land mass and its peripheral water areas is the pivotal area of world politics. Control of this area, called by Mackinder the Heartland, would provide the basis of absolute *world* conquest; and such control was the objective of the strategy of the German General Staff. Control has, however, been achieved by the USSR.

This is the central fact of the present world strategic situation.

Russian Communism is commonly portrayed as an expansionist military power seeking conquests, as in Africa. But the USSR is an instrument of International Communism, whose strategy is control of the Heartland, and disintegration of peripheral areas important to the “West”. Thus the assistance which the USSR provides for the “newly-emerging nations”, of Africa in particular (except for the southern border of the Mediterranean) is assistance in self-destruction. And again, the U.S.A., in its anti-colonialist posture, and by its “aid to under-developed countries”, is furthering Communist objectives. Such “aid” was explicitly laid down as a Communist technique by Communist theoreticians before the war ended.

Now Communism, so largely identified in the public mind with the actual and potential military exploits of the USSR, is in fact the contemporary manifestation of an attempt to institute a World Government—an attempt with a documented history of continuity going back a quarter of a millennium. The early steps were the destruction of the monarchical and feudal order, and the substitution of government masquerading behind the forms of what has become known as majority rule. Actual government has increasingly been exercised through personnel indoctrinated in socialism in the first place by the Fabian Society of London, and latterly in institutions such as the London School of Economics and Political Science founded or inspired by the Fabian Society. Originally the doctrines of Fabianism were recognised as revolutionary, but by generations of permeation into universities, education, and churches they have become the established orthodoxy.

Fabian Socialism, however, has always envisaged the eventual destruction of national sovereignty, with the consequences sketched in Section I herein. Marxist revolutionary doctrines and techniques were developed parallel to Fabianism to cover this development.

The transition from Fabianism to Communism may be said to have begun with the First World War, which, seen in the light of subsequent developments, prepared the way for the Second World War

During the first war, and as part of a complex deal to secure American entry into the war on the Allies’ side, the British Government agreed to issue the Balfour Declaration, “viewing with favour the establishment of a National Home for Jews in Palestine”. After the second war Jews from Europe and Russia were flooded into Palestine, which eventually, with international connivance, was declared the independent State of Israel, thereby creating an intractable Arab problem, and a perfect cover for Russian penetration of the Middle East—rightly described as the crossroads of the world.

The objective of this long-term strategy was revealed in the June 1967 Israeli-Arab war. This has made the Arabs far more dependent on the USSR, has enabled the establishment of a formidable Russian naval presence in the Mediterranean, and with the evacuation of American air bases in the region, and the handing over by the French Government of their Algerian air base to Algeria long ahead of time, the Middle East is

now virtually denied to the West, accessible to the USSR, and Europe's oil supply is in jeopardy. Europe, in effect, is now surrounded, and its lightning conquest a major possibility. In such an event American public opinion probably would not sanction an American endeavour to retrieve the situation by conventional means, or the use of strategic atomic weapons with the threat of retaliation.

As well as the Balfour declaration, the "deal" between Great Britain and the U.S.A. included drastic economic conditions, such as Great Britain's underwriting the Allies' war debts—conditions which imposed external sanctions over British internal policies. By these means, Great Britain was reduced in strength to a position where she could not avert renewed war by Germany—a war the real purposes of which are revealed in the present consequences.

Britain has occupied a unique position in world affairs by virtue of its island position at the heart of civilisation, and the homogeneous character of its people. The Anglo-Saxon character has always been recognised as the great barrier to world domination by a World Government. Both world wars, the economic policies of the inter-war years, internal subversion, and U.S. pressures combined with immense debts have eroded Britain's position to one of virtual impotence. Economic policies under Mr. Wilson's administration, so apparently idiotic, could only be deliberate, designed to end forever British autonomy.

Bearing in mind Stalin's dictum that in Communist practice "words must bear no relation to deeds", and examining the deeds of the USSR, the U.S.A., and France under de Gaulle, it is evident to the perspicacious observer that the strategic conquest of the world has been accomplished, but not consolidated. Although the U.S. Administration is unquestionably in the control of the World Planners, American public opinion is not, and if mobilised and directed to an understanding of the true position, would at this stage constitute a formidable threat to the final plans for World Government. There are some signs of this occurring. This probably introduces a time factor as against the patient gradualness which has obscured the real significance of both major and minor occurrences. But a point has now been reached where such significance is appearing, as the moves that have been vital can be perceived from the perspective of the end-play, as in a game of chess.

And as in chess, the end of the game is "checkmate" on the world scale. The World Planners want an intact world, not a nuclear holocaust. The occupation of Europe, taking the U.S.A. "by surprise", and therefore credibly without response, would create a situation where the American public would probably accept a surrender of their national sovereignty to the United Nations, which would arrange international inspection teams to ensure that its disarmament directions were policed. This situation would confront Southern Africa with a nuclear ultimatum.

### **III. THE SOUTH AFRICAN SITUATION**

In the context described above, it appears that the Republic of South Africa occupies a critically unique position. It is the one country of significance which retains the power of independent initiative, and the fate of the world may be decided by the use it makes of that power. The lives of many millions of the human race are still at stake, and many will yet be murdered or pass into slavery. But though at present the forces of evil are in the ascendant, goodwill predominates in human nature, and one sufficient example might unleash the power of that goodwill. This is a small chance against a great certainty. Southern Africa cannot survive as an island of freedom and prosperity if the rest of the world is enslaved. In this situation, the Republic of South Africa has nothing to lose, but possibly everything to gain by a correct and successful use of her initiative.

The vital and vulnerable factor in the whole situation is that what can only be called the world conspiracy has progressed by ensuring adherence to certain rules, just as the strategy of chess depends on the rules of chess. In the international sphere, the vital rule is that so long as you can keep control of economics so long you can keep control of politics, but no longer. The greatest threat to world tyranny is individual prosperity, if the latter is unconditional.

Prosperity is a relative term, not necessarily to be seen in modern terms. Some natives live in a kind of paradise in the Pacific Islands, and throughout the world there have been contented and, relative to their way

of living, “prosperous” peasants. Discontent has as often as not been the result of subversion or contact with an alien culture, just as urbanisation alienates the farmer. And on a simple base, great civilisations with noble accomplishments arose.

With the industrial revolution, however, an entirely new factor was introduced. Depending on the harnessing of power derived originally from the sun’s energy, this revolution continuously multiplied the effectiveness of manpower, thus ever more rapidly expanding and extending the basis of prosperity. Because there has been great misrepresentation in this matter, it is most important to emphasise that true prosperity begins in the provision of the fundamental necessities of life—food, clothing and shelter. Unimpeded access to those necessities is the very basis of freedom. Obstructing such access is the fundamental instrument of government. This is exemplified in the fact that when the Communist Party seizes a country with a peasantry, it nationalises the land and collectivises the peasants. This is the most fundamental form of keeping control of economics.

In industrialised societies the problem is much more complex, because the greater the production of physical wealth, the less justification there appears for denying access to it on the scale which expanding production makes possible. This is the fundamental problem of the World Planners, and the reason why national sovereignty—i.e., independence—must be destroyed. Then the resources of the industrialised countries can be dispersed.

The industrialised world lies between the extremes of free private enterprise which is progressively capable of enormously expanding the production of wealth, and of World Government with unlimited capabilities of dispersing wealth at least for several generations, by which time Aldous Huxley’s *Brave New World* would be established. In this interim period, the Planners are faced with the problem of maintaining political control by continuous economic control. The accumulation of wealth in private hands threatens this economic control, and this is the vulnerable aspect of the threat.

Distribution of production in industrialised countries is in the main by the payment of monetary incomes. The problem of the controllers is to prevent to any large extent the accumulation of incomes as *personal* (as opposed to institutional) savings, since savings confer independence. Reliance on continuous income subject to conditions leads to dependence, and hence control. The present solution of this problem of maintaining control has several aspects, the most important of which are: Inflation, Taxation, and Confiscation (Death Duties and Capital Levies). Hire-purchase which both increases prices and creates a form of economic bondage, contributes to the control.

Progressive taxation and confiscation are items in the *Communist Manifesto* of Marx and Engels—i.e. they are political rather than economic measures in intention, and can be replaced by other methods of providing government revenue. However, they have been incorporated in Fabian Socialist economic theory, and their Marxian origin has been lost to view in current economic theory.

But inflation is also a political instrument, and the problem is always stated as being one of “controlling” rather than of eliminating inflation. Continuous price rises offset the natural rise of productivity, create wage-demands and industrial unrest, and wage demands when granted enter into prices, thus making the process a self-sustaining one. The overcoming of inflation would in all probability be a mortal blow to the World Planners. It is precisely here that the Republic of South Africa’s unique opportunity lies. A Government policy of reversing gradually the inflationary spiral is entirely practicable and would progressively ameliorate social pressures.

Some draft proposals, which are in the nature of fundamental principles whose application would depend on particular circumstances, follow:

#### **IV. DRAFT PLAN FOR THE REPUBLIC OF SOUTH AFRICA**

##### *(1) National Resources Inventory:*

Draw up an inventory of all South Africa’s capital assets, including estimates of mineral and other resources, and of the manpower, this being the average earning capacity per average working life multiplied

by the number of the workforce; the complete inventory to be in terms of current money values. Revalue the inventory annually.

(2)*National Resources Account:*

Establish a National Resources Account (N.R.A.) and credit it with “interest” on the valuation of the National Resources at a rate to be determined annually.

(3)*Reduction of Prices:*

Draw on the N.R.A. to subsidise producers in individual cases in consideration of their agreeing to reduce prices of products by, in the first place, 5% of their current selling price, such reductions being carried to the consumer level, whether of capital production or consumer goods.

(4)*Compensation of Wages:*

Where, owing to changing economic circumstances rises in wage rates are determined *by arbitration*, subsidise the employers by draft on the N.R.A. so that the new wage rates do not increase prices.

(5)*Reduction of Taxation:*

Reduce all forms of taxation by 5% in the first place, and reimburse government revenues from the N.R.A. The Government to have no other access to this account.

(6)*Gold Production:*

Subsidise from the N.R.A. presently uneconomic gold mines, and offer gold freely on the world market at current world price. Republic of South Africa gold reserves in excess of industrial requirements could also be used for this purpose.

## **V. EXPLANATION OF THE DRAFT PROPOSALS**

(1)The proposal to evaluate resources is essentially normal company procedure as in a revaluation of assets with a view to an issue of bonus shares. In the case of the National Resources Inventory the value does not need to be exact. The purpose is to establish a base on which Proposal (2) can be carried out, and to indicate variations from year to year. Under normal conditions of expanding productivity the valuation would increase each year, and would tend towards greater precision. It is to be noted that the valuation is *not* monetised, but “interest” credited to the N.R.A. is.

(2)The N.R.A. represents a drawing facility, equivalent to a bank overdraft, the limit of which in this case is the “interest” on the Inventory. The difference is that the “overdraft” is not repaid, but is replenished by annual “interest”, and does not attract bank interest. The Bank or other instrumentality handling the account would be entitled to handling charges.

In considering this Proposal, it is important to recognise that the only “money” which has an inherent *commodity* value is gold, and to a much lesser extent coins. Paper money has a relatively small cost of production. But the greater part by far of what functions as money is bank credit, created out of nothing by book entries and circulating in the form of cheques. Thus the monetisation of “interest” derived from the Inventory Valuation does not differ from normal bank procedure in method. In principle, however, the difference is crucial.

A full technical explanation of this procedure is too complex for inclusion here, but can be provided if required.

(3) This Proposal and Proposal (4) and, optionally, Proposal (6) are the key to the situation. The percentages expressed are tentative and illustrative only.

Insofar as the Government assumes responsibility for the overall control of the economy, its difficulty is



in controlling the financing of industrial and other expansion without causing inflation. Proposals (3) and (4) introduce the money needed for expansion of the economy by *reducing* prices, and this and lowered taxation (both of which should be slowly progressive) are the economic equivalent of an increase of income for the individual, since increased productivity requires increased purchasing power to absorb it. An increase in incomes under present rules appears as an increase in prices overall, and is self-defeating, being offset only to the extent that an increase in productivity exceeds an increase in costs of production. By financing increased productivity directly, the self-defeating mechanism is progressively eliminated.

The “value” of a currency is commonly held to be, in the last resort, its exchange rate with a unit of gold. This in turn is set on the international financial exchange centres. The true value of a unit of currency, however, is its purchasing power within its country of origin. By decreasing prices *internally*, the external value of a currency is increased—an effect normally sought to be achieved by devaluing a currency in terms of gold.

The effect of Proposal (3) is to strike at the root of international control of internal finance, which is the key to economic control and, so long as the existing system is maintained, political control. This proposal, therefore, would force the International Planners into the open. Their only economic remedy would be to devalue South Africa’s currency on the international exchanges; but this would immediately make South Africa’s more competitive, which, together with the “revaluation” of the Rand in terms of internal purchasing-power, would make the Rand more valuable, not less, in international transactions. This move would indeed be “checkmate” in the game of international finance where the origin of the world’s troubles lies.

A further commonly held misconception concerning economic theory may be dealt with conveniently at this point—that a country grows rich on its exports. This is not true. What is true is that a country grows more powerful under the existing financial system to the extent that it holds other countries in its debt, providing, of course, that it controls the physical sanctions to enforce the debt. This is the explanation of the rise and fall of Great Britain. The headquarters of World finance has been transferred from London to New York.

But international trade in realistic terms is pure barter. A country which exported the whole of its production, and imported nothing but money, would die of starvation as soon as household stocks were exhausted. But adherence to the theory that a surplus of exports over imports constitutes a “favourable” balance places a country at the mercy of the manipulators of foreign exchange.

(6) Since purchasing-power, and not gold, represents the real value of a currency, it is obvious that once purchasing-power has been stabilised or, as should happen with increasing productivity enhanced, gold can be dispensed with as a basis of currency. But since the power of international finance depends on gold as the measure of a currency’s value, and as the world is suffering from a shortage of gold, the offer to supply gold from “uneconomic” sources exposes still further the position of the international financiers, and makes much more difficult the imposition of an embargo on exports to South Africa which, short of war, is the only effective measure that could be taken.

Apart from physical sanctions—i.e. war—South Africa is vulnerable only to the extent that it is dependent on critical imports.

A further misconception is that a country such as South Africa should seek to attract “overseas investment”. Technical skills are a purchasable commodity, and to the greatest extent possible—and it becomes increasingly possible—industrial and other expansion should be by exploitation of internal resources, financed by internal financial resources. With the Rand of increasing purchasing-power, foreign “capital” should be repatriated.

## VI. TACTICS

A careful study of documentary evidence, a great deal of which has become available in the past twenty years, makes it quite certain that an attempt to impose an invulnerable World Government on the nations of

the earth is approaching its climax. The attempts to coerce the Republic of South Africa by attacking apartheid, and the Republic's position in relation to South West Africa, and by the imposition and attempted maintenance of an arms embargo, demonstrate the vital importance of the Republic's power of independent initiative at this time, when a conventional military assault would be both physically and psychologically difficult to sustain. But a purely defensive posture by the Republic will in the end lead to certain defeat whereas offensive action, by showing the way to break out of economic bondage, might quite possibly lead to the defeat of the Conspiracy.

In these circumstances, if it were decided to implement a strategy along the lines indicated in the Draft Proposals, it would be essential to plan in secrecy so that an economically and practically sound scheme could be brought into operation suddenly as a surprise move able to achieve a quick success. It should be announced in the first place simply as "economic measures introduced by the Government to overcome inflation". There would certainly be international retaliation; but this would force the opposition on to open ground, where his attacks could be exposed for what they are. The Draft Proposals are fully in accord with economic reality, and are flexible and adaptable, whereas the manoeuvrings of international finance are political. Expansion of productivity is a fact; financial restriction is a strategy. Overcoming inflation would release ever-increasing productivity and, basing currency on a stable and, progressively, an enhanced purchasing-power, would free that currency from a fictitious tie with gold or "reserve" currencies, and would free the economy from an equally fictitious dependence on an export surplus. It is vitally important to recognise that it is not necessary to import "money" to purchase a country's own production. Surplus exports over imports are a real economic—i.e., physical loss. The ultimate, though because of international repercussions, not the immediate, result of what is proposed would be to increase the international value of the Rand and, until other countries based currency on purchasing-power, it might even be necessary to impose an export tax to prevent a drain of the real resources of the country. Conservation, not dispersion, of real resources is a fundamental necessity of national independence.

It is impossible to foretell when and how the ultimate climax of a century's long plan will occur, but the strategic situation has deteriorated so rapidly in recent years that it is safe to say that time is not on our side. This is epitomised in the fact that the Republic of South Africa alone now possesses the power to exercise an independent initiative without constituting a threat to anyone but the manipulators of world power. This independence can probably be maintained until South Africa becomes subject to a nuclear ultimatum. As long as the rules of international finance are adhered to in their present form, that independence is circumscribed by theoretical obligations. But it is *essential* to break out of those rules while it remains physically possible. No genuine obligations—obligations founded in economic reality—need be repudiated. The ability to supply gold, while not being bound by the economics of a gold-based currency and the ability to supply materials vital to the economies of other countries, provide a unique and final opportunity to avert disaster for the Republic, and perhaps lead to redemption for the rest of the world. The ruthless technological tyranny which threatens us would be the worst disaster ever to befall mankind.

To repeat, the Republic of South Africa uniquely has the one chance against a final certainty of a new and probably final Dark Age.

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11 July, 25 July, 1970

## LIFE AND DEATH

During the Crimean War, a Medical Officer kept a casebook of the casualties and illnesses he attended, and subsequently this was published. One of the cases was a soldier shot through the chest. Such a wound gives rise to internal, rather than external, bleeding; but the effect is just as much an effective loss of blood from the cardiovascular system as when the loss is external. The patient becomes pale, weak, sweating, breathless, and has a failing pulse; and on these appearances the diagnosis can be made. The resources of surgery about a century ago were not sufficient for dealing with torn lungs; treatment was empirical rather than rational, and took the form of blood-letting—opening a vein and allowing blood to escape. This was intended to lower the blood-pressure, the *rationale*, such as it was, being that this would induce a fall of blood pressure to a point where the internal bleeding would cease, thus saving further embarrassment to the breathing due to the accumulation of blood within the chest. The medical officer recorded that, despite this treatment, next day his patient's condition was worse; and accordingly he performed a further venesection. Despite these efforts, the patient died.

The history of medicine is replete with similar misconceived pragmatisms, to which untold lives were innocently sacrificed. The germ theory of disease was, for a time, viewed as a dangerous heresy, and the practice of anaesthesia was conceived as wicked. We think today that we are beyond such superstitions; but in fact long held beliefs are often even now almost ineradicable. And this is true pre-eminently of the so-called 'science' of economics.

The civilisation—Graeco-Roman-Christian—which at the beginning of this century held such glorious promise is visibly dying. For civilisation really is a form of life; it is organic rather than mechanical. Like physical life, it evolves; forms of the present are rooted in forms of the past, and decay of its institutions leads to disease and destruction of the body politic.

The early promise of the twentieth century lay in the fruits of the industrial revolution. Revolution is not the right word, for what had happened with the harnessing of steam-power and electricity was a new point of departure for mankind. Before that, animal power, water power and wind power were only a fraction of manpower, such as built the pyramids and the cathedrals, and human habitations from hovels to palaces and mansions. Ships which sailed the oceans were made by hand, and roads and bridges were constructed by sheer labour. Yet, in a few thousand years how much was accomplished and remained—the heritage of man.

The industrial revolution, or transformation, could hardly have been foreseen, any more than one with no knowledge of fruit trees could foresee the orange in the pip. Yet it was an event of the magnitude of the onset of an Ice Age; it has transformed the globe as surely as glaciers have channelled and chasmed mountains. Change is an indication of force, and great change means great force. The force here is solar force, entrapped for the most part in fossil fuels, accumulated from the sun's rays over millions of years—and totally expendable in a matter of a few centuries.

One way we measure this force is in terms of horsepower; on this basis, and under favourable conditions (good mechanical and thermal design, efficiency in the scientific sense) one horsepower unit can displace about ten manpower units. But mechanical power can do more than this; it can accomplish tasks impossible for man. And the number of horsepower units available today is greater than the number of men. A comprehension of all this must lie at the root of any formal system of economics.

Yet the London Sunday press of 16 August, 1970, contained a spate of articles on inflation, most of them resembling the pronouncements of witch-doctors on the plague. The Employment Minister, Mr. Carr, had said that Britain is faced with "economic disaster" if cost-inflation is not "curbed". One Eric Jacobs, in an article about wage "restraints" and "small pushes", provides a useful glossary (collection of glosses; list and explanations of abstruse, obsolete, dialectical or technical terms) : "Cripps's 'freeze' (1948); Macmillan's 'plateau' (1956); Thorneycroft's 'Three Wise Men' (1957); Selwyn Lloyd's 'pause' (1961), and 'guiding light' (1962); and George Brown's 'norms' (1965), 'standstill' (1966) and 'period of severe restraint' (1967)". Mr. Patrick Hutber, City Editor of the *Sunday Telegraph*, thinks the leprechauns have

been at Mr. Peter Jay of *The Times*, who makes light of inflation, one of “the minutiae of economic management”. The *Observer* pontificates on “The only way left to tackle inflation,” which it characterises as an “alarming problem”.

As treated in the Press and by ‘economists’, or anyway by ‘economists of repute’ who would lose their reputation and their living if they did not conform to the prevailing mystique, inflation is a sort of mysterious disease of the economic system, incurable, as pernicious anaemia was once considered to be, but susceptible of curbing or restraining by one or another of a variety of measures (see glossary above). To the man in the street, inflation is an increase in the cost of living, to be combated by an increase in income. To the ‘economist’, increased incomes mean “too much money chasing too few goods”, a “cause” of inflation, on the one hand; and on the other a variety of inflation known as “cost-inflation”.

In fact and in short, however, inflation is pure robbery.

Leaving aside such contemporary shibboleths as population explosions, the most fundamental economic fact is that man, like every other animal, can support himself—indeed, must have done so before the invention of the earliest tools. With the coming of tools, and even more with the development of co-operation between individuals or groups, the effectiveness of individual effort, or work, was progressively increased. Moreover, there began an accumulation of the products of past efforts; tools have a certain longevity, as do various constructions, such as houses. The use of accumulated resources again increased the effectiveness of individual effort. This continuing process can be summarised in the expression that continuing invention and accumulation progressively increased the “purchasing-power” of individual effort, in exactly the same (non-financial) sense that the use of a lever increases the purchase of muscular power.

An entirely new factor (multiplier) enters with the application of mechanical power (mainly through the combustion of fossil fuels) to the processes of production. On the simple basis noted above, that one horse-power-hour can replace ten man-power-hours, it can be seen that the real “purchasing-power” of human effort is constantly increasing as further energy is harnessed.

By the beginning of the twentieth century, the industrial revolution, in principle, was largely accomplished. No doubt the distribution of the product was inequitable, but the fundamental reason for this was the concentration of resources on the expansion of the industrial base, and the development of overseas resources—an excess of exports over imports is always and necessarily a net physical loss. However, the continuous expansion of the industrial base provided the means for lessening inequalities.

Now suppose that in the year 1900, all incomes had been fixed, but at the same time the prices of goods to consumers had been continuously reduced—that is to say, inflation in reverse. That would be an exact reflection of the physical *fact* that the harnessing of extra-human energy increases the “purchasing-power” of human effort. In these circumstances, inequalities of incomes would become progressively of less significance, while still reflecting the hierarchy of natural abilities.

If, at the present time, everyone’s income were doubled, *with no increase of prices to consumers*, a great deal of the provocation to social disorder would disappear. But precisely the same effect would be achieved if incomes remained as they are, and prices were halved. Either course would no more than partially rectify the situation brought about by decades of inflation; but at the present time, neither course is practicable, because economies are orientated to excessive capital production. But it *would* be practicable to set a policy of steadily reducing prices, thus continuously increasing effective purchasing-power in the hands of consumers; and this would in itself gradually effect a re-orientation as between capital and consumer production. That the basis exists to meet a significantly increased consumer demand is borne witness to by the intensity of advertising; there must be few firms or industries which would not be capable of increasing their capacity to meet an *assured* consumer demand.

All this is not in the least degree theoretical. It is a matter of life or death for Great Britain as a nation and, in all probability, a matter of life or death for huge numbers of individuals.

Was Mr. Carr indulging in empty rhetoric when he warned of economic disaster? If not, what did he mean?

There is absolutely no possibility *under present accounting procedures* of preventing price rises if increased pay claims are met. All costs go into prices, and total wages are far greater than total profits. To talk of “voluntary restraint” is mere empty mouthing, for the demand for an improving standard of living is quite correctly based on an intuitive perception that the physical basis for it exists. So that Mr. Carr’s warning is better put in the form: “Unless the accountancy system governing wages and prices is rectified to ensure a continuous improvement in purchasing power to reflect the potentialities of industrial productive *capacity*, disaster, both economic and physical, is certain.”

Now, the real trouble is that the problem is not primarily an economic one at all; it is a political one. As *The Times* remarked recently of the British, “We are not our own masters.” This means, of course, that *any* British government is not the arbiter of the policy it follows. *The Times* even names the real master: the International Monetary Fund. So the situation is that the British Government is under duress to continue a policy which, as Mr. Carr quite well sees, *must* lead to disaster. *So there really is nothing else for it but to defy duress and change the policy.*

The solution to the economic problem is, in principle, simple: internal financing should be separated from external financial transactions so that, for example, a ‘run on sterling’ would not affect the internal economy. Efforts should be made to renegotiate international debts, which in fact have their origin in war debts in wars which Britain won, but was forced to pay for. The I.M.F. does not really want the repayment of debt; money paid would be set against debts, and cancelled out of existence. *What it does want is control over British policy, and that fact should be given maximum publicity.* For how is it that Germany and Japan, the ‘losers’ of the war, are two of the most prosperous nations?

British internal financing should be based on British industrial *capacity*, along the lines proposed in the Draft Proposals for the Republic of South Africa (page 94.) To the extent that it is necessary to repay overseas debt (which in the last resort can only be done by exporting goods and services), what can suitably be exported should be sold at cut prices, the apparent monetary loss being compensated by subsidy from the National Resources account.

Lower taxation and a falling cost of living, combined with a proper explanation of the new policy and the reasons for its adoption, together with an appeal to patriotism in a situation which in actuality is essentially a military one (“War is the continuation of policy by other means”—Clausewitz) would probably restore British morale just as the threat of German conquest did.

This article is not put forward as a panacea, but as a, probably final, attempt to inject some realism into the conduct of British affairs. The condition of the British people has, on the whole, worsened under every government since the First World War; and in relation to the possibilities over that period of time, almost immeasurably worsened. The reason, of course, is that every government has pursued substantially the same policy. It has brought the British to the point where economic breakdown, anarchy, and finally revolution (which of course would be supported by the Soviets: that is the point of Marx-Lenin-Stalin- Brezhnevism) is a probability well within the normal lifetime of the present Parliament. It is already apparent that the Heath Administration is realising that it is not going to be able to fulfil the expectations of the electorate, and that it is having to hedge on its promises. *If that realisation could proceed to the point of comprehending that only a completely radical change of policy can avert the disaster Mr. Carr foresees*, a disaster which would mean the stone end of the Conservative Party, and probably the eclipse of the British *as a nation*, perhaps its virtual destruction, *there may be a glimpse of hope.* This century has already seen mass deportations and exterminations. These were not due to the human nature of the Common Man, but to the power of organisation which could fling masses into conflict—a process intended to culminate in the final emergence of a single World Government and the elimination of national sovereignties—the *death of nationhood*. Some idealists think this is a good thing, but such catastrophic means can only end in ultimate Evil. And already that end is visible. It looms in the Middle East, and in the increasing war against Southern Africa, and in the renewed German-Soviet Pact.

If the Heath Administration ignores this warning, then it will be because “*Quem deus vult perdere, prius dementat*”.

## *Appendix*

### *The Trap*

#### 1

In an extraordinary article in the *Sunday Telegraph* (March 30, 1969), Peregrine Worsthorpe writes, “What we are really faced with is . . . a death wish of a body politic—a growing suspicion that somehow we are caught in a trap, not primarily of our own making, from which nobody really knows how to escape, however hard we try. It is this mood of informed defeatism . . . a despairing assumption . . . that Britain cannot do anything to alter the international financial context in which we are struggling to survive, in spite of the increasingly obvious fact that this country is the victim rather than the beneficiary of the existing rules and regulations.”

We have abstracted the above statement from what Mr. Worsthorpe wrote, but it requires further abstraction: “What we are really faced with is . . . a trap, not . . . of our own making . . . the international financial context in which we are struggling to survive . . . (We are) the victim(s) rather than the beneficiary of the existing rules and regulations.”

Does Mr. Worsthorpe mean that we are faced with a death wish “of a Government”, or does he mean purely and simply “that we are (i.e., have been) *caught* in a trap, not . . . of our own making”? If the latter, who constructed the trap and who are the beneficiaries, and of whom are we the victims? If the former (inconsistent with the latter), is the death wish of *the* Government directed towards itself, or against the British “struggling to survive”? What, and where, is “the body politic”?

Writing twenty-three years ago, Douglas remarked, “Either the world . . . is in the grip of blind fate . . . or it is exhibiting the results of a policy derived from thinking man . . .”

The state we are now in (“struggling for survival”) is the state predicted by Douglas even more than twenty-three years ago because he perceived the operation of a policy “derived from thinking man”. So whatever Mr. Worsthorpe intended by what he wrote, it seems likely that the reality which he refers to as a death wish is in fact an active policy of which the present British Government is acting as the agent. That is to say, the death wish has a living origin, and is directed against the British *through* the British Government.

If Mr. Worsthorpe is serious rather than merely metaphorical in writing of death, we hope he realises that he faces his own death.

Until it is absolutely clear that there is going to be “a ruthless, bloody-minded exertion of the *national interest*”—i.e., a definite and conscious, determined *reversal* of policy—a general election is *worse* than useless; it would merely be, as Mr. Worsthorpe says, “a change of hands on the levers controlling the domestic economy”. The present Government is *in the position of responsibility* for the policy it is carrying out. To dissolve it would be to dissolve its complicity. There simply is no question of competency. A definite policy has predictable consequences. Douglas identified the policy—centralisation, more government—fifty years ago, predicted the consequences, and now we have them. That policy produced two world wars and the great depression. Can anyone believe that a change of government in 1939 would have averted war? That question indicates the magnitude of the *present* problem. Indeed, it is the same problem; we are faced with a coherent policy fatally directed against our survival *as a nation*. The locus of this policy was embodied in Germany (temporarily) in 1939. Where is the locus now? Who are the beneficiaries?

“The geographical shift of the Storm Centre in Europe from Spain to France (the French Revolution), via Holland and England to Germany (First and Second World Wars), and now to Russia (*militant* Communism) is paralleled by the shift of certain activities, largely but not wholly Financial (the threat of war, *binding* International Agreements). This Storm Centre has, of course, its secondaries, its ‘Fifth Column’, (*organised* strikes, *coordinated* student unrest, permissiveness, drug peddling, racial violence, accelerating crime . . .) everywhere.

“ ‘Britain’ is now apparently the target of the most venomous hatred by its manipulators, a position we have usurped from Imperial Russia; *and the practical lesson to be learnt from this analysis is to direct our attention to the current Storm Centre. It is not in Russia, except as a fulcrum for Wall Street; Russia is finished; it is in New York.*” (C. H. Douglas, 1948.)

Unless this threat is faced by a nation united “as in war”, our national extinction is imminent. As world war is probably now too dangerous to those who promoted the two world wars and were and continue to be the beneficiaries of them, it is worth risking war to obtain a reversal of policy. In this situation the rundown of British defences is *criminal*. If the present Government is “let off” its responsibility of either complicity or ignorance by a mere electoral defeat, probably nothing can save us. And, as Douglas wrote, “A firing squad may be necessary.” A convincing threat of one might start a move in the right direction.

## 2

In these days of unenlightenment, it is refreshing to hear some public figure publicly stating our problems in a realistic way. Speaking to Northern Area Young Conservatives in Durham on March 30, 1969 (*Daily Telegraph*, March 31) Mr. Enoch Powell described the present Government as “a vast bureaucracy administering a wholly arbitrary system of government”. He said that the system was exercised through the Prices and Incomes Board or through the Bank of England and the Treasury. “We are increasingly living in a society in which law is supplemented and superseded by a compulsion which is not law. It is no accident that in any Socialist system . . . the rule of law must disappear, since you can’t reduce to law those judgments which are required for the management of the economy.”

Mr. Powell is evidently referring to rule by Regulation, as opposed to government in accordance with Common Law, much of which was expressly designed to protect the governed against the will-to-power of the Executive. The power of the Executive in Britain has steadily increased under Governments of all denominations, and there is nothing in the public statements being made by Mr. Heath to indicate that this process will be halted, let alone reversed.

It may well be questioned, however, whether the system is wholly arbitrary. It is forty years since Lord Hewart, then Lord Chief Justice of England, deemed it already “high time” to offer “a note of warning”<sup>\*</sup> and cited Lord Justice Bowen in a judgment given in 1893 : “If no appeal were possible, I have no great hesitation in saying that this would not be a desirable country to live in”. We are in the presence here of a force, which, like a force in dynamics, produces an acceleration; this force is the continuing application of a long-term policy of centralisation which, starting with suggestions of “rationalisation”, proceeds through “nationalisation” and financial takeovers towards *monopoly*—monopoly of power both economic and political, and ultimately supranational in its control. Its operation on the individual appears arbitrary, just as military discipline appears arbitrary to the soldier. Grandiose plans require large groups of ‘workers’ or soldiers. The bureaucracy is simply the chain of command; the grander the scheme, the vaster the bureaucracy, from national to international. The commanding officers of little pyramids of power see in bigger schemes their way to their promotion as commanders of larger pyramids. Thus we see Heads of State, Heads of Departments, and droves of lesser commanders flying to confer all over the globe, visibly (for those with eyes to see) evolving the machinery of International Government—government of nations from outside nations, and ending in World Government without nations.

<sup>\*</sup>*The New Despotism*: London, Ernest Benn Ltd.

Thus seen from the top, the operation of the bureaucracy is anything but arbitrary. It is seen as necessary. It does not matter what happens to the individual if there are enough ‘workers’; hence “Full Employment”, and confiscation of savings by taxation.

The basic fact is that taxation *is* confiscation. The economic ‘theory’ which explains and justifies confiscatory taxation is a carefully devised *plan*. The sedulously promoted notion that high taxation ‘controls’ inflation is patently utter nonsense, believed in and professed by economists because they have been trained in that *theory*; and also because as ‘advisers’ to the government they share government power. It has been demonstrated decades ago that inflation could be halted and even reversed merely as a matter of accountancy. But if this were done individuals could accumulate savings, and ‘workers’ would gradually

become free men; and then how could they be ruled over so as to fit in with global schemes of ‘interdependence’?

Conservatives, especially if they should aspire to be Leaders, would contemplate this situation with horror—so they don’t contemplate it; they rationalise it. To a Leader, leading the Gadarene swine, the bureaucracy does not appear as a bureaucracy; it looks like the necessary and most efficient means of carrying out the Government’s firm policy. And the more comprehensive and inclusive the Government’s policy, the less policy there is left for individuals. And the Government knows best, and the Government in office is the best Government, because they were voted for by a majority—which, of course, is sometimes a minority.

It is quite certain that the bureaucracy will increase in size (“can’t take away a man’s job, old boy”) until there comes into office a Government which has renounced, with all the conviction possessed by a wholly sincere convert to a religious faith, the sort of power governments now deploy. When is that likely to be? The bureaucracy is the work of the Devil. But politicians no longer denounce the Devil, they just don’t believe in him. That leaves them free to enjoy his works.

This is more than mere metaphor. Mr. Powell is thought by many to be a potential Conservative leader. Does he fully understand that in denouncing the “system of government” he is denouncing a system which has developed to its present monstrous and oppressive complexity just as much under Conservative as under Socialist Administrations? Does he understand that the bureaucracy is the *incarnation* of the *policy* of “thinking men”?

The bureaucracy *really is* an army (with the workers as its base), whose weapons are control of finance, and the power to make Regulations having the force of law. This army has a General Staff. Does Mr. Powell know where to look for this General Staff? Has he plans for entering into conflict with that army, with a view to defeating it?

Lord Hewart wrote, “A little enquiry will serve to show that there is now, and for some years past has been, a persistent influence at work which, whatever the motives that support it may be thought to be, undoubtedly has the effect of placing a large and increasing field of departmental authority and activity beyond the reach of ordinary law. . . . The citizens’ belief (that they are protected by Common Law) will stand in need of revision if, in truth and in fact, an organised and diligent minority, equipped with convenient drafts, and employing after a fashion part of the machinery of representative institutions, is steadily increasing the range and the power of departmental authority and withdrawing its operations more and more from the jurisdiction of the Courts.” (Observe the judicial choice of words in this.)

Now quite clearly the “organised and diligent minority” cannot be identified with the incumbent Labour Administration (because it was there before the last election, and will be there after the next), so that merely defeating the Labour Administration will not even begin to defeat the diligent and organised minority. In fact, the reverse is true. If the blame for our present plight is put on the Wilson administration, and that administration is defeated in elections, the ruling minority will simply be given a fresh lease of life. And seen “from the top”, that is the very strategy underlying the *use* of elections.

This is the very heart of the matter. Only a Government consciously determined and pledged to engage and defeat the organised minority could make any progress whatever. In this battle there would be real casualties, as in the form of disemploying very large numbers of bureaucrats. Has any potential alternative Government contingency plans for these casualties? Has it a strategy for getting at the “organised minority”, the General Staff? If it has no such strategy and no such plans, then an election is a snare and delusion, as all elections have been for decades.

If all this is understood, it will be realised that a real attempt to get “out of the trap” entails a very real risk of military war. Are there contingency plans for that likely eventuality? How does the rundown of British defences look in that light?

The fundamental situation is this: Practically every aspect of major Government policy is wrong, *and is*



*anti-British*, and proceeds *ultimately* from an extra-British source. There is, *potentially*, a *British* solution for the problems arising from wrong policies. For example, a huge number of practical problems are derived from taxation *policy*. Now for a large number of people, Conservative as much as Socialist, even to realise that that is so means discarding a number of ‘axioms’ of thought. The taxation system is a *disincentive* system, and that is a, perhaps *the*, root cause of current economic problems. In this field, therefore, the policy required is to transform the taxation system into an *incentive* system. The way to do this would be to put the top executives of the Inland Revenue Department under penalty of dismissal without recompense if they did not provide satisfactory draft legislation to effect the transformation. To proceed from the assumption that this cannot be done is to commit suicide. It *must* be done; it is a condition of survival.

But it is highly probable that any attempt to implement satisfactory legislation would precipitate essentially military sanctions—in the first place internal, via the Communist organisation; in the second place external, via ‘binding’ international agreements which if broken would be a pretext for the use of force.

This year 1969 is essentially 1939 all over again; but this time the locus is not in Germany, and the threat to survival is not *primarily* a military threat. The threat is as great, and is backed by the *potential* threat of military sanctions. It is an economic Battle of Britain, an economic Dunkirk. It was patriotism, British character, and British inventiveness and initiative that saved Britain after 1939. In this light, does Mr. Wilson appear as a Churchill, or a Quisling? And how does Mr. Heath look?

The problem for a true Leader of Britain is to mobilise all that is best in the British, and go to work to restore British Greatness “under threat of war”. And if at this stage we cannot *say* who our enemies (Mr. Worsthorne’s “beneficiaries”) are, we can force them to disclose themselves. This might transform the military situation.

### 3

#### A HEATH-WILSON SKETCH:

“He asked himself, as he always did at moments of crisis, what his illustrious ancestor, the other Napoleon, would have done in such a position. And he had been forced to admit that he could not imagine Bonaparte ever having allowed himself to get into such a position. He realised, now it was too late, that he had been poorly advised by most of his Generals. They had deliberately deceived him as to their merits. But what was he to do? If he led the army himself, and rode out to meet the Germans, he was—in the not unlikely event of the enemy’s contriving to slip round his flank—leaving the whole heart of his country ready and exposed for the knife that was waiting to be thrust into it. Besides, he had never studied the actual tactics of battle. He had left that to the General Staff, whose job it was. It was the larger strategy of wars that fascinated him—great sweeps with a ruler across the maps of continents.”

—From *Anna*, a novel by Norman Collins.

### 4

What is the “trap” in which Britain is caught?

Mr. Peregrine Worsthorne unerringly hit the mark when he identified it as “the international financial context”. Perhaps the shortest way to describe that context is to regard the British as a wealthy family whose Estate is represented almost entirely by capital assets, but which is required by “law” to pay massive Death Duties *in cash*, i.e., in “money”.\* The only source of ‘cash’ is the ‘profit’ in terms of ‘hard’ currency, derived from a ‘balance of payments surplus’. The alternative to this is ‘breaking-up’—i.e., selling for international cash—the Estate. In real terms, this means handing over, permanently, control over the Estate to whoever is at present collecting the ‘Duties’; perhaps, as an intermediate step, to the European Economic Commission acting as agent for the beneficiaries to whom the Death Duties are at present being paid.

\*The exact predicament of an individual faced by Death Duties is well described by A. G. Elliot in *The Guilty Madmen of Whitehall*: Elliot Right Way Books, Kingswood, Surrey.

These 'Death Duties' had their origin in the purchase by Great Britain *on credit* during the 1914-1918 war of *expendables* necessary to conduct the war against Germany. Great Britain did not receive *cash* from 'America'; she received munitions, food stuffs, raw materials, etc., and 'spent' them on Germany. At the end of the war (Great) Britain had neither the expendables, nor the cash; she had only a War Debt, which had to be 'repaid' in cash. This was the penalty of winning the war to save the world from domination by Germany, as well as making the world safe for democracy (how else could we have had Harold Wilson?). The position is worsened cumulatively, but not fundamentally altered, by the obligation to pay interest on unrepaid 'loans'; this is a sort of international income tax, again payable in 'cash'—'hard' currency. Of course the countries (such as Germany) possessing 'hard' currencies are the very ones who do not want British manufactures. If Britain could sell the whole of her industrial output to Germany for several decades for Deutsche Marks (par value = DM 4 to \$1 or DM 9.60 = £1 sterling B.D.\*—you do the arithmetic—) she might get out of the trap. But it might be necessary to go to war with Germany to force her to buy the goods (we could borrow more money from the IMF to carry on the war, and more still to have a go at South Africa; easy).

\*Before Devaluation. The arithmetic refers to the effect on the Death Duties payable B.D. and A.D.

If by some miracle of transmutation iron could be inexpensively transformed to gold by a process exclusive to Britain, it is practically certain that rather than have the debts repaid, the owners of the debts would promptly 'demonetise' gold. It is external control over British internal policy—the breakup of the British Estate—which is 'valuable' to the overseas 'beneficiaries'—hence the periodic visits to Britain of Inspectors from the IMF. So long as this fact can be concealed behind the facade of 'inexorable economic necessities', 'streamlining the economy', the 'benefits of joining the Common Market' (you name them, we've got them) the present financial arrangements suit the purpose admirably. However, there are already signs that national currencies are to be superseded: national currency and national sovereignty are too closely allied to suit the internationalists. Sterling would be an anachronism in a fully integrated Common Market; how could such a matter as devaluing sterling be left in the hands of Mr. Wilson? Or any other financial tricks he might think of getting up to?

Well, there is the trap. Repaying international debt means unrequited exports (if markets can be found where 'hard' currency is to be found) into the indefinite future; these unrequited exports mean added debts for raw materials. Keeping these debts down means restricting home consumption; but the wages paid for producing unrequited exports mean "too much money chasing too few goods", and this means increased taxation to control inflation, and streamlining the economy by such means as Selective Employment Taxation; if these stringent measures fail, and the pound is threatened with collapse, well, negotiate a short-term loan. If this fails, let the pound collapse just a little bit, which will stimulate the economy, make it more competitive (. . . you name 'em, we've got 'em; Mr. Heath may have a few more than we have, but he might give earnest consideration to naming the new international monetary unit the Esperanto\*, which would give the peoples of the world new hope of abolishing national languages: has anyone ever contemplated the appalling inefficiency and waste of having hundreds and hundreds of languages and dialects when one would do? A great sweep of a ruler across the maps of continents might do away with trade gaps altogether. At the very least, Mr. Heath, as incoming Prime Minister, might pledge his Party to give priority to the appointment of a Royal Commission to investigate the problem. After all, Mr. Wilson made promises, and another election is another day . . .).

\*This would avoid the necessity of decimalising sterling. (Pat. applied for.)

## 5

Is the trap of Mr. Wilson's construction (Harold, not Woodrow; that is another question)? Of course not. The question is, on whose side is Mr. Wilson: on the side of the beneficiaries, or of the victims? Is his "a ruthless, bloody-minded exertion of the national interest" (Worsthorne), or a ruthless, bloody-minded exertion of the *international* interest? Is he a Death Duties-before-butter merchant? If neither, what is he selling, purchase tax added? Is he a "Bank of England and the Treasury" man (E. Powell), or Trustee and Executor for the *British* beneficiaries of the Great British Estate? What is he doing with the money he is saving on lack of defence? Adding to the "vast bureaucracy"? Is he obtaining short-term loans from those

convenient Gnomes of Zurich to pay off the denizens of Wall St., N.Y., or to delay the next instalment of devaluation? We may be doing him an injustice; he might actually be building secret defences to defend sterling when the franc falls.

Still, the way to find out is to impeach him. It appears that a good many people are in favour of this; their objection is that it cannot be done. But if a 'majority' of the people wanted it done, someone would find a way—like finding a way to the moon, but much less expensive. The reactivation of the process of impeachment does not appeal to politicians, most of whom, no doubt, have at least half an eye on the possibility of becoming Prime Minister; after all, look what happened to Harry Truman; look what might happen to Mr. Spiro T. Agnew if someone shoots President Nixon (unless Mr. Nixon shoots first); look what might happen if Mr. Wilson dropped . . . No, don't look yet. Mr. Wilson is the Prime Minister, very busy presiding over the penultimate stages of the liquidation of the British Empire. He is also very much concerned with Rhodesia, preoccupied with Anguilla, engaged in Nigeria, and attempting to restrain South Africa from defending the Cape shipping route even if this does mean losing valuable British markets. No, no, Mr. Wilson, both tigerish and fearless, is full of international concerns and responsibilities, all of which would fall on the shoulders of his successor if . . . No, don't look now, but . . . if anything *should* happen . . . who . . . will be . . . the next . . . ?

It does not really matter whether Mr. Wilson actually is impeached, if enough people think he *ought* to be. If, as seems all too possible, there is anarchy and economic breakdown in France, and the Russians send volunteers to help the French Communists restore order, they will be only a hop from Britain, where they may be needed to help restore order if the pound follows the franc; and then there will probably be a lot of people who wish Mr. Wilson *had* been impeached. (Remember, the Home Defence organisation has been destroyed.)

To use an expression much in favour with commentators, especially those associated with the London School of Economics, home of Planning, "whether we like it or not" serious trouble lies ahead. If it does not lead to a military confrontation, it will end in a walkover. We *are* in a trap, not so much "struggling to survive" as being prevented by the traitors in our midst from dismantling the trap.

## 6

Paul Einzig is a Rumanian immigrant to Britain who became a British subject after ten years' residence. From 1939 to 1956 he was Political Correspondent of "the two leading London financial newspapers". He has now published a book\* on Britain's present predicament, which he attributes to "adverse changes in the British character" and to Socialist "malice and spite". And he says, "Gloomy as the picture which this book presents of Britain's prospects may be, it means to convey a faint glimmer of hope by the question mark affixed to its title." He greatly admires the lost British character, without, however, ever asking himself where it has gone, or why it has gone. He rightly attributes a great deal of damage to the Beveridge Plan. He quotes Lord Beveridge: "To those who ask me, Can we afford to have it, my answer is, Can we afford *not* to have it?" Einzig remarks, "It was largely because of this fateful formula that Britain, having been victorious in the War, was doomed to lose the peace . . . there can be no doubt that the mistaken psychology of the way in which the plan had been presented by its author . . . had an extremely demoralising effect."

*Decline and Fall?:* Macmillan: London 1969.

But the 'Beveridge' Plan was analysed and denounced in *The Social Crediter* immediately on its publication, in an article entitled *Carthorse Conditions For All*. It was obviously not a "Beveridge" plan at all, it was the application to Britain of a scheme devised (possibly) in Germany in Bismarck's time, and incubated in Great Britain for years in the Fabian Society\*. Anyone who was present in England when the Plan was promulgated should remember the extraordinary fanfare which accompanied it. The Report put to the public was the Abridged Report: the small print of the hire-purchase agreement was left out. But instantaneously the mass media, and in particular the B.B.C., obviously already briefed and alerted, praised the plan to the skies. Was this mistaken psychology, or was it suitable psychological preparation for the post-war era when it would seem natural "that Britain alone has lost the peace after having won the war" (Einzig)? Since then the B.B.C. has been increasingly notorious for its part in encouraging the

permissiveness and obscenity which the implementation of the 'Beveridge' Report began. The fact of the matter is that the strategical 'Beveridge' Plan initiated the tactical assault which has since progressively eroded the British character—an erosion which Einzig perceives, but attributes as the *cause* of the consequences which he now deplures. *The Social Crediter forecast* these consequences. It is not the erosion, but the *assault*—of which the 'Beveridge' Plan was the spearhead—and beyond that, the *intent*, the conspiracy embodied in the document *Freedom and Planning*†—which accounts for Great Britain's decline and imminent fall.

\*See *Fabian Freeway*, by Rose L. Martin.

†This document, originally marked "Confidential", appeared about 1933, and was circulated privately among the inner circle of the Fabian "Political and Economic Planning" group (P.E.P.). The activities of the Attlee Administration were closely in accord with this plan.

The question *must* be: How did it come about that the British character which had endured for centuries, which had created the majestic structure of the Common Law, which had initiated the Industrial Revolution, which had brought into being the British Empire, bringing civilisation and services (health, administration, communications) to millions of the world's inhabitants, which had maintained the *Pax Britannica*—how was this character "progressively" debased in less than a single generation? It is better to ask, How was this destruction accomplished? And then the answer appears: By the attack *from within* on the most characteristic British institutions: Common Law, family life, private schooling; by the imposition of confiscatory taxation; by Death Duties destructive of tradition. Is a decline of British character the cause of these acts of State? Or does the destruction of character make possible these Acts of State?

What happened immediately after 'victory' in war was the election of an avowedly Socialist Administration, full of P.E.P. indoctrinees, which, under cover of 'emergency' powers, carried forward the transfer, by a 'legal' process which inverted the protection (from excessive government) hitherto given by Common Law, of privileges acquired by *individuals* to a bureaucracy subject to a junta whose primary concern was to retain power. British character was originally manifested through the personally responsible exercise of individual initiative. But individual initiative plays havoc with socialist plans, and so was smothered by a deliberately disincentive, destructive system of taxation. The progressive loss of initiative inhibited manifestations of character. Character was murdered.

There is not a word of this in Mr. Einzig's book. The British were enticed into the expectation of enjoying the fruits of victory—Full Employment and Free Social Services. But Full Employment turned out to be increased production for export; money raised by taxation was given to U.N.R.R.A. to feed refugees—but was diverted to transferring Jews to Palestine to create the Palestine 'problem' (which has now become the Middle East Crisis); food-rationing was maintained at home, and direction of Labour was threatened. In all these circumstances, what would one expect to happen to character? Prisoners do not show much character, and the British were, in effect, subjected to prison conditions—"austerity" was the keynote of the post-war era\* Remember?

\*For contemporary comments on that period, see *The Development of World Dominion*, K.R.P. Publications Ltd.

It is probably not in the British character as Mr. Einzig used to admire it to object to men becoming rich, unless they have been convinced that the rich have become rich at the expense of the poor. But it is to produce this conviction that the Fabians have been active throughout this century, and before. Envy and resentment (provoked by malice and spite) are the dynamics of revolution, cultivated by the Socialists; and revolution means the transferring of power to a small minority—the concentration of power in Government, Dictatorship over the proletariat. And as character withers in this process, the time comes when its remnants can be stamped out. Whether Mr. Einzig's character will survive this ultimate stage, we do not know. He may indeed be doomed.

Mr. Einzig loves Britain ("I would infinitely prefer to be doomed here than be blessed anywhere else"); but he joins the chorus of those denigrating the British, as if it were indeed true that the British have got the Government they deserve. Perhaps it *is* true, in the chicken and the egg sense; but this does not explain the existence of both chickens and eggs at the same time. He blames the people who are subjected to an imposed

policy (it would be infantile to suggest that the British knew what they would get when they voted for the Attlee or the Wilson regimes, or what they will get next time they vote, if ever) for the *results* of the policy, without ever examining the true origin of the policy or the tenets on which it is based. And it can only be said that this false emphasis can contribute nothing to a rectification, but it must help to intensify the psychological depression and despair in which “the workers” are plunged. It is only when British initiative is set free to rebuild the typically British institutions which Socialism set out to destroy that we shall see a re-emergence of that Anglo-Saxon character which has always been recognised by our enemies as the greatest barrier to ‘interdependence’ under World Government—scrambled eggs cooked to a turn.

7

A. G. Elliot’s *The Guilty Madmen of Whitehall*\* presents a very different view. Mr. Elliot has been a manual worker, brain worker, timber merchant, writer, importer, publisher, psychologist and other things. He served in the war in the R.A.F., and has travelled widely. His book is “for all those who wish to make the effort of trying to understand what our politicians are attempting, and what is possibly more important, failing to do, for Britain. It is also for those who wish to help to restore Britain’s greatness”. Of course, we should say that the Socialist politicians are succeeding in what they are trying to do to Britain—condition the British for integration into a world system, *including Russia*, with ‘entry’ into the Common Market as a first but vital step; while Conservative politicians for the most part do not know what to do, nor even what they really were doing while in office.

\*See footnote on page 65.

But Mr. Elliot recognises the enemy: “The theory of Socialism, and our *present* Socialism is similar to and derived from Marxist Communism, appeals to millions because the *theory* is so attractive to many people who vote Socialist. They go on believing in the theory because it is the theory that is taught in books, schools, universities, etc. The amount of propaganda, press articles and so forth in favour of Socialism, greatly exceeds that of the Conservative or Liberal Parties. I am sure it has something to do with State education . . . Similar arguments apply to the B.B.C. . . . In these and similar ways our public are brain-washed or indoctrinated.”

What this book exposes by numerous examples, taken from life, is the detailed effect of Socialism on the individual. Confiscatory taxation leads to tax evasion, a beginning of moral corruption. It produces a climate conducive to other forms of crime, and gives the predatory rogue ascendancy in the community as, for example, Professor Hayek said it would.\* At the same time, permissiveness, sedulously propagated by the B.B.C. and the mass media, makes it easier to get away with crime, immorality, pornography, etc.

\**The Road to Serfdom*—1943; published 1944, before victory and the Socialist Administration.

Despite what Mr. Einzig says about the British character’s deterioration, it is probably what it always was in the average Briton. But precisely as Mr. Elliot says, “The average man feels helpless in the face of Government, Trade Union or Association action and new laws and taxes, even although these may affect him adversely”. But the new generations are no longer the average Britons; they are increasingly the brainwashed deformities of Socialist policy which is Marxist inspired. It is important to realise that because of this, there will be no hope of revival when the old generation is completely replaced by the new.

In a short foreword to Mr. Elliot’s book, Mr. Enoch Powell writes, “These are some of the notes in which the rising anger of a nation becomes audible. It is a sound I like to hear.” If anger replaces the feelings of helplessness, and *demand*s a reckoning with the guilty, there will be the first glimmer of hope. Until then, an election would be a disaster. The day of accounting will come, but whether at the hands of the British or of the Communists depends on the awakening of the British as to what they are *really* up against. They are up against the International Communist Conspiracy represented, for *practical* purposes, by the incumbent Administration for which Mr. Wilson assumes responsibility.

July, 1969